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Latin America Report

No. 2147

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(HORIZONT, No 10, 1980) 143

VENEZUELAN UNIVERSITY RALLY EXPRESSES SUPPORT OF CUBA

PA010325 Havana International Service in Spanish 1800 GMT 30 Apr 80

[Text] More than 5000 people filled the main auditorium of the Central University of Venezuela to express their support of the Cuban revolution and to condemn the U.S.-led international conspiracy against Cuba. The event which was sponsored by the Venezuelan-Cuban Friendship Institute and the youth sections of 10 political organizations was attended by political, union and university leaders.

Ricardo Rios, acting president of the Federation of Venezuelan University Centers, said the Venezuelan revolutionaries and all those who want socialism to triumph in Venezuela and Latin America view the Cuban people and their leaders' dignity as their fundamental credential.

Roberto Lopez, secretary general of the federation, denounced the U.S. military maneuvers in the Guantanamo Naval Base, territory occupied by U.S. military forces. Cruz Villega, president of the Unified Workers Federation of Venezuela, said that the international situation is characterized by two irreversible situations: the crisis of imperialism and the process of the peoples' national liberation.

CSO: 3010

COSTA RICAN-SALVADORAN TRADE DISCUSSED

Trade Payments Negotiations

PA241218 San Jose Radio Reloj in Spanish 0100 GMT 24 Apr 80

[Text] A solution is being found to the problem of Costa Rican industrialists who are not being paid money owed them by their Salvadoran colleagues. A two-country commission will shortly recover the sums owed to Costa Rican industrialists.

Debt Paid

PA251512 San Jose Radio Reloj in Spanish 1200 GMT 25 Apr 80

[Text] The total outstanding debt of Salvadoran firms with Costa Rican industries and exporters has been paid, the Salvadoran Government has reported. During a joint commission meeting attended by Costa Rica's integration director Olmedo Castro yesterday, it was announced that the Salvadoran Central Bank has received the money from Salvadoran importers.

During the commission talks on the delay in payment, it was stated that the Salvadoran Government will give preference in purchases and payments to the Central American common market countries.

The Salvadoran Government has made arrangements so no new problems similar to those which occurred in the past few days with Costa Rican industrialists will arise. Although the outstanding debt of Salvadoran importers has not been added up yet, it is expected that the Costa Rican Chamber of Industry will disclose it today. It was noted, however, that the problem has been practically solved.

Alternate Markets Considered

PA251514 San Jose Radio Reloj in Spanish 1200 GMT 25 Apr 80

[Text] As a result of the problem that arose with Salvadoran importers, Economy Minister Fernando Altmann Ortiz has said we have had to think more seriously about third markets. The sale of Costa Rican products to Haiti, the Dominican Republic and other countries will be the way to insure exports, Altmann Ortiz added. He said Costa Rica sold $82 million worth of goods on those markets last year.

CSO: 3010

BRAZILIAN-ARGENTINE RELATIONS UPSET PARAGUAY'S OBJECTIVES

Buenos Aires CONVICCION in Spanish 13 Apr 80 p 11

[Article by Martin Olivera: "Geopolitics: The Last Swing of Asuncion's Pendulum"]

[Text] The signing of the tripartite agreement on Corpus and Itaipu, which was the beginning of a positive reestablishment of Brasilia-Buenos Aires relations, has effectively marked the birth of new rules in the geopolitics of the Southern Cone of Latin America, under which Paraguay has lost considerable weight in terms of regional balance.

Despite Minister of Foreign Affairs Alberto Nogues' consistent denials, during the last few decades the Asuncion Government has based its foreign policy on a constant swing of the pendulum which approaches and departs from Itamaraty or the Palacio San Martin in accordance with the expediencies of the moment.

Of course, in order for this game to be possible and effective, it is necessary that Brasilia-Buenos Aires relations be far from ideal. All the better if both capitals embarked on a tacit but open competition for South American leadership.

Paraguay, an inland country, knew how to take advantage of this competition. It it turned to Brazil, Argentina was forced to make overtures to it — often materially speaking costly — in order to keep the region from being destabilized. It it turned to Argentina, Brazil had to make the effort.

With this simple formula based on the swing of the pendulum, Gen Alfredo Stroessner's government among other things managed to gain control of 50 percent of the Itaipu and Yacyreta projects, wholly financed by its partners.

But this kind of politics is coming to an end with the rapprochement of Brasilia and Buenos Aires and one proof of this is the result of the trip Gen Joao Baptista Figueiredo made to Asuncion this week.

The Paraguayan news media, skillful interpreters of Palacio Lopez foreign policy, generated great expectations of the trip, attempting to demonstrate that it was the necessary prelude to Figueiredo's visit to Buenos Aires next May.

However, the truth seems to lie elsewhere. Figueiredo went to Asuncion to get the most possible mileage out of Brazil's last big gift to Paraguay: the rail line that is to transport the Gurranis to the Atlantic via the port of Paranagua. And this was precisely the only agreement signed by Figueiredo and Stroessner. And, as luck would have it, the construction of this rail line will precede the Corpus-Itaipu agreements and also Figueiredo's assumption of power.

Figueiredo's tactics are logical. The president of Brazil knows that his next trip to Buenos Aires will sensitize the Paraguayans since it will to some extent put them on the sidelines of the Itamaraty-Palacio San Martin dialogue. He also knows that the signing of the rail agreement was irreversible and that the Brazilian capitals stand to benefit a great deal from this corridor to the Atlantic. But he knows that for this to happen the Paraguayans must not feel themselves "ignored."

With his visit to Asuncion before going to Buenos Aires, Figueiredo has offered Stroessner a political pat on the back so that he can use it on his domestic front.

As far as the economic benefit is concerned, Figueiredo assured us in Asuncion that the Brazilians can, unhindered, go on acquiring Paraguayan border lands and establishing industries in such a way that a kind of economic landslide of the common border and the new rail line may prove to be more "profitable" in terms of Itamaraty's policies.

And even though it knows this, Paraguay is courting Figueiredo. The fact is that there is no other path to follow. The new Brasilia-Buenos Aires relationship has buried the formerly successful pendulum politics. Paraguay can no longer choose to whom it will turn. Now Paraguay /has to turn/ [in boldface] in the direction geopolitical circumstances determine.

11,466
CSO: 3010

YACYRETA PROJECT TO ATTRACT COMPETITIVE INTERNATIONAL BIDS

Buenos Aires CONVICCION in Spanish 10 Apr 80 p 13

[Text] AFP—Bids for civil engineering projects and the provision of turbines for the Yacyreta Paraguayan-Argentine hydroelectric dam will result in intense international competition in which opposing commercial and political interests will be thrown together.

This coming 29 April bidding on civil engineering projects worth some $1.5 billion will be opened. According to high officials, however, this deadline could be postponed until 2 June, in which case a final decision would be reached between July and August 1980.

According to information received as of now, five consortiums will be bidding: Impregilo (an Argentine company with Italian affiliations), Morrison and Knudsen (an American consortium), ICA [Associated Civil Engineers] (a Mexican firm), DYCASA [expansion unknown] (an association of Spanish and German [FRG] firms) and Dumetz (a French consortium).

But the oddest group will be formed next 16 June when bidding is opened on the turbines for the dam, worth $800 million.

The fact is that in this case a consortium composed of Soviet, Italian and German (FRG) companies, the American Allis-Chalmers consortium and a third one headed by Japanese firms will be competing.

According to advance information, the first of these consortiums is founded on conventional Soviet and Italian technology and the power of the German mark.

For Moscow, this bidding acquires special importance since it involves the possibility of gaining access to the market of Paraguay, a country in which it has no diplomatic representation.

Although the Soviets provided the turbines for the Argentine-Uruguayan Salto Grande Dam and are working on feasibility studies for the Argentine Middle Parana Dam, it is expected that this time their alliance with Rome and Bonn will prevent any possible mistrust on the part of Asuncion.

The sheer size of the Yacyreta project turns it into an attractive business prospect for international consortiums since, with a total power-generating potential of 4.05 million kw (equivalent to 63 percent of all the energy at present consumed in Argentina), it is one of the five biggest dams in the world and the total investment in facilities — some $5.5 billion — will be recovered in 8 years.

But in addition, it constitutes an attractive key to participation in other hydroelectric projects Argentina, Paraguay, Brazil and Uruguay plan to engage in in the Plata Basin.

According to company sources, the Soviet-Italian-German consortium's chief competitor will be the American firm of Allis-Chalmers.

In 1976 this firm's ability to compete in participation in the Yacyreta project was restricted since the U.S. Export-Import Bank refused to grant it the funds to provide the turbines in view of the human rights situation here.

But Washington's extremely tough stance with regard to Argentina substantially changed this year when three official American missions visited Buenos Aires, seeking to file down the rough spots in our bilateral relations.

In mid-March a delegation arrived, headed by Vice Secretary of Commerce Luther Hodges who was accompanied by American officials and businessmen who devoted a good part of their efforts to strengthening their positions with an eye to the 16 June bidding for the Yacyreta turbines.

Of especial note in connection with this was Export-Import Bank director Donald Stingel's announcement that that institution had granted Argentina a $700-million loan for the Yacyreta project.

The term of the loan is 20 years, with the first payment due in 1991 (when, with construction completed, the dam will begin to produce a profit) and the annual interest rate 7.75 percent.

Company sources interpret the liberal loan terms as Washington's effort to obtain an advantageous position with regard to its competitors for the Yacyreta projects and, at the same time, a fit instrument to mend its relations with Buenos Aires.

11,466
CSO: 3010

BRIEFS

GUATEMALA-EL SALVADOR ELECTRICAL HOOKUP -- The National Electrification Institute (INDE) is completing feasibility studies for an electrical hookup with El Salvador, the cost of which is estimated at 18 or 20 million quetzals, the vice minister of communications and public works, Hugo Luis Solares Aguilar, has said. He indicated that when the studies in question are finished the Ministry of Finance will seek financing for the project from the Central American Bank of Economic Integration (BCIE). He added that Salvadoran authorities have already decided to carry out this project, which, if financing is obtained, could begin in early 1981. Vice Minister Solares Aguilar said the project's purpose is to establish transmission lines between power plants in Guatemala and those in Ahuachapan, El Salvador. The connecting lines will be 94 km long, and 230 kilovolts will be obtained through them. This project will attempt to link the two countries' systems and to utilize the electrical current at any given time. Initiation of the project is only awaiting the financing, Solares concluded, and according to the studies the hookup could be ready by the end of 1981. [Text] [Guatemala City PRENSA LIBRE in Spanish 21 Mar 80 p 12] 8735

CSO: 3010

GOVERNORS BRIEF PARTICIPANTS IN POLITICAL DIALOG

Buenos Aires CLARIN in Spanish 9 Apr 80 p 8

[Text] The governor of Misiones, retired navy Cap Ruben Paccagnini, yesterday received the former governor of the province, Hugo Jorge Montiel, in the second scheduled meeting of the political dialog in that province, which was the first one in the country to undertake the series of talks.

Montiel, who as a captain was governor from 1966 to 1969, underscored that "this will enable us to take part in the dialog with a clear-cut idea of the objectives that the Federal Government is trying to achieve for the country." He pointed out that "the view that elections are going to be called soon is not a condition of the dialog" and he mentioned "the total and permanent consistency of the Armed Forces so that the process can ultimately be carried out."

The 90-minute meeting with former Governor Montiel is the second that navy Captain Paccagnini has held within the framework of the political dialog. His first guest was notary Juan Cayetano Pernigotti, from the radical movement.

Separately, the final preparations are under way for the dialog in the provinces of Buenos Aires, Cordoba, Tucuman, Jujuy, San Luis and Mendoza, according to the latest reports.

In addition, contacts under the dialog begin today in La Pampa when the governor, Gen Julio Etchegoyen, receives three leaders of the province's Agricultural and Livestock Association.

His guests will be Luis Zabalza, Jorge Souto and Juan Carlos Etcheveste, who are also members of the Rural Confederations of Buenos Aires and La Pampa.

During their meeting they will not, it was asserted, take up "economic" matters; they will instead concern themselves with defining "from the provincial standpoint, the model for our country's future."

The governor of Buenos Aires Province, Gen Iberico Saint Jean, said yesterday that the political dialog that will start up in Buenos Aires in the next few days "is not going to begin with large groups; it will instead commence with small groups that are, however, undergoing a modernization process and that are obviously willing to revitalize, adapt and update all of their programs, as we all would like."

"We feel," he added, "that they are the ones who can provide us with the most reinvigorating ideas, and it is on these grounds that we are going to begin the dialog."

He then clarified: "We will call in federations, professional associations, scientists and scholars, not just political groups. We will call upon a really important nucleus, because I think that they all have a right to express their opinions with regard to the repeated frustrations that we have suffered."

The governor of the province of Cordoba, retired Gen Adolfo Sigwald, yesterday chaired a cabinet meeting at which he issued directives for the implementation of the political dialog in the province, it was officially reported. The dialog is supposed to begin in the next few days.

Similar preparations are under way in Tucuman, where Governor Gen Lino Domingo Montiel Forzano is holding ongoing meetings with Government Minister Col Hector Guzman Pinedo.

As far as Jujuy Province is concerned, we now know the name of the first guest of Governor retired Gen Fernando Vicente Urdapilleta. It will be former Conservative Deputy Mario Busignani, who will be arriving at the Government Palace at 1000 hours tomorrow.

Urdapilleta specified that "I am not going to invite any representative of a political party, just representatives of all sectors of provincial life, without exception, including organized labor."

For his part, the governor of the province of Mendoza, Brig Rolando Jose Ghisani, announced that "the political dialog with individuals or groups will begin late this month or early next month."

He also stated that the dialog in Mendoza would differ from the nationwide dialog, especially with regard to the standing of the individuals who are called in, inasmuch as a number of Mendoza residents have taken up and could subsequently take up the matter with Interior Minister Gen Albano Harguindeguy.

With respect to San Luis, provincial authorities have not yet made any announcements about imminent contacts with the citizenry, but the province's Liberal Democratic Party yesterday released a statement regarding the move toward the dialog: "The presidential message marked a historic development in this process of regaining our national essence," adding: "As of that moment the republic began the transition toward a state of law, which must take the shape of a pluralistic and legitimate democracy."

It concludes by stressing that the party "wants to become, within this process, a strong, united centrist force in step with the times in which we live."

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LAMBRUSCHINI REASSERTS INFLEXIBILITY OF POLITICAL PROCESS

Buenos Aires CLARIN in Spanish 11 Apr 80 pp 3, 56

[Interview with the commander-in-chief of the navy, Adm Armando Lambruschini; date and place not given]

[Text] During the next government term "there will be no backslides or reversals of decisions that have already been made and that are being implemented," stated the commander-in-chief of the navy, Adm Armando Lambruschini, in an exclusive interview with CLARIN shortly before leaving for Rio Gallegos.

"The 1981-1984 period will be marked by continuity, intensification and institutional reordering, embodying the experience that has been accumulated since 24 March 1976, but, I stress," Lambruschini added, "all of this without abandoning the general direction that has been imparted to the National Reorganization Process from its outset in the various areas."

"What I am reiterating," he stated at another point in the interview, "is that even under a new president designated by the Military Junta, we will continue to be faithful to the principles that inspired the National Reorganization Process in the cultural, educational, union, economic, social and foreign trade spheres, and this faithfulness will be specifically demonstrated in the guidelines that will be set forth for the National Executive Branch for the 1981-1984 term."

The military commander also regarded as "contrived" the expectations that have been created concerning the possibility that from the guidelines that the junta issues for the next presidential term "we can pick out a name or sketch the profile of the person who will replace Lieutenant General Videla as president. Guidelines are one thing, and the appointment of someone to be chief of state is another," he indicated, stressing that the next government term would be 3 years.

The navy chief also answered questions concerning the political dialog and the formation of an opinion trend allied with the current process. The following is the full text of the interview:

[Question] The Junta of Commanders has just begun consideration of the guidelines that they will be laying down for the next presidential term. What are the priorities under analysis?

[Answer] The Military Junta duly imparted to the National Executive Body the guidelines for government action for the 1979-1981 period.

We have now ordered drawn up the guidelines for the next government period, in other words from 1981 to 1984, which will be approved by the Military Junta well before the election of the new president of the republic.

This is an all-around and detailed task for each governmental area in which the Armed Forces fulfill their responsibility to outline coordinated objectives to be achieved during the period under analysis.

The work that recently began does not entail priorities of one area over another, but it does have priority over other tasks, because we have decided that it should be completed by June.

I want to make it quite clear that these guidelines will contain no change in the general philosophy behind the National Reorganization Process, a philosophy that has been spelled out perfectly clearly in the basic documents.

The 1981-1984 period will be marked by continuity, intensification and institutional reordering, embodying the experience that has been accumulated since 24 March 1976, but, I stress, all of this without abandoning the general direction that has been imparted to the National Reorganization Process in the various areas.

There will be no backslides or reversals of decisions that have already been made and that are being implemented.

[Question] As these studies begin, the implication is that you have started analyzing, or at least outlining, the designation of the future president of the republic...The question is: Will the guidelines that the Junta sets forth indicate the identity of General Videla's successor, or are the two developments independent?

[Answer] Look, I realize that people naturally have expectation regarding the new president, because this is something that is going to happen shortly, but I am not sure whether such expectations are to a certain extent contrived, in that people might believe that from the guidelines they can deduce a name or determine an identity.

The guidelines are one thing, and the appointment of someone to be chief of state is another.

The Military Junta has the responsibility to designate which superior Armed Forces officer who is about to retire will head up the Executive Branch, and it also has the responsibility to establish the guidelines to which the designate must adapt his actions in government.

Therefore, I feel that it is not useful to engage in "futurology" and, based on the guidelines, to pick out names, inasmuch as this process is essentially and specifically marked by the utmost depersonalization.

There is no place here for providentialism and even less so for "candidacies," because what is basically involved is making an appointment without a selfish or sectarian attitude, since the National Reorganization Process is not the private property of anyone, neither individually nor as a sector.

What I am reiterating is that even under a new president designated by the Military Junta, we will continue to be faithful to the principles that inspired the National Reorganization Process in the cultural, educational, union, economic, social and foreign trade spheres, and this faithfulness will be specifically demonstrated in the guidelines that will be set forth for the National Executive Branch for the 1981-1984 period.

[Question] There was a newspaper commentary last weekend that said that the next presidential term would last between "5 and 6 years." Has a decision already been made, is the matter already resolved, or will the next presidential term be for 3 years with the possibility of reelection, as the basic documents of the process stipulate?

[Answer] Look, I am not going to associate myself with commentaries. I will refer you to what the basic documents stipulate: the presidential term is for 3 years, with the Military Junta having the option to appoint the president for one more term. This is how it reads.

Any change in this regard has to be unanimously approved by the Military Junta, and the arguments would have to be very sound for this to happen.

The stability of the process is determined not only by men and by philosophies but also by the upholding of the initial documents, which were drawn up after lengthy thought and analysis and which therefore cannot be changed on account of personal tastes or views.

[Question] Is the navy in favor of a change in the current governmental arrangement?

[Answer] I do not understand the reason for this question, because I feel that the positive things that we have accomplished over these 4 years have been due not only to the actions of the men in power and to the great determination and, in many cases, to the sacrifices of our people, but also and in particular, to the implementation of a governmental arrangement that has prevented the negative situations of former times from recurring. Why, then, should it be changed?

I repeat once again, the redundancy notwithstanding, that this governmental arrangement whereby the Armed Forces retain, in the person of their commanders, national decision-making power and assign a president to head up the government, has yielded positive results, and without it certain developments that we have experienced would most likely have meant changes in government.

[Question] What conclusions can you draw from the initial steps in the political dialog? For example, the Progressive Democrats have called for a national referendum.

[Answer] I think that it is much too early to draw conclusions after just three meetings, but I do think that your question requires some clarification.

I feel that the dialog is a positive tool. I could not feel otherwise, given that I took part as a member of the Military Junta in the decision that prompted and laid the groundwork for it.

I disagree, however, with the one-sidedness that you are attaching to the dialog between the Armed Forces and the civilian population by calling it political in the sense of partisan politics, inasmuch as this could lead people to think that we are exchanging ideas solely with a view towards an electoral solution.

The current dialog is "political" to the extent that it involves the general affairs of the "polis," in other words, harmoniously organized society, and it is a mutually enriching tool in the field of the ideas and the actions that should be adopted to successfully carry out the objectives of the National Reorganization Process.

Any other interpretation of the dialog is tainted with particularism and prompts expectations that are not in keeping with reality.

[Question] What is the first step, in terms of legal instruments, that will be taken to implement the Political Foundations? Could it be the Parties Statute?

[Answer] It will no doubt be that. If you take a look at the Political Foundations Document of the Armed Forces for the National Reorganization Process, you will see that the paragraph entitled "Development of Political Action and System of Political Parties" says the following, after indicating the objective of the dialog:

"It will continue with the analysis and enactment of legislation on the system of political parties and their normalization."

"This will begin to take shape with the publication of this document and will be followed by the enactment of pertinent laws as of the second half of 1980."

The normalization of parties could not be undertaken without the groundwork instrument: the rules for political parties.

[Question] In light of previous experiences (for example, the Republican Alliance that nominated Brig Ezequiel Martinez), do you think that the formation of an opinion trend allied with the current process is feasible? If so, how do you think that it should be structured and how much input will it be allowed in the government?

[Answer] When you talk about a national opinion trend, your interpretation should not be that a political party is in the works. Our basic objective is to establish a genuinely republican, representative and federal democracy in the country, and political pluralism is an indispensable requirement of this.

To do this, we feel that a national opinion current, or movement if you prefer, is needed.

I think that it should be a movement, or in other words, a legitimate activity, that reflects a desire to take an active part in the search for the solution that Argentina is hoping for, because to go in the opposite direction would obviously be an attempt to establish

a totalitarian conglomeration of the masses that would be an ideal opportunity for demagoguery to thrive once again.

I feel that it must be national, in other words, inspired by the immanent values that make up our civilization and lifestyle, above and beyond the circumstantial differences among its leading figures or followers. And finally, I feel that it should really entail opinions; in other words, it should be guided by a common desire to come up with joint solutions to the country's major problems in a wide range of areas. That is to say, people ought to voice their opinions on contingencies, on what could be one way or the other, but without being dogmatic or antagonistic. This is my idea of a national opinion trend. I think that any other interpretation stems from an erroneous understanding.

[Question] How do you view the outlook for Argentina's international relations?

[Answer] I feel that foreign policy is an extension of domestic policy. International action is a continuation of a national direction that cannot overlook the basic features of the world in which it is developing.

The essential elements of the international society in which we live may or may not coincide with our ideals and aspirations, but it would be a blunder of extremely serious consequences to make an incorrect diagnosis.

As far as foreign policy is concerned, I think that we ought to seek the smoothest balance between actual international conditions and what we would like those conditions to be.

We must avoid lapsing into a theoretical but naive idealism and into blind alliances that are also all too naive.

We are aware of the prevailing interdependence of nations as a common factor of progress, but let no one doubt that while we respect the rights of others, we will not allow our own rights to be infringed upon by those who put forward formalistic considerations or undertake actions that run counter to the historical values on which our rights are based.

In a world that is becoming inexorably smaller, our determination to live in peace, harmony and justice is accompanied by our firm resolve to tenaciously defend what is ours and, at the same time, to place what we have in service to others. We do not see anything inconsistent about rejecting dependence and bolstering interdependence, because we feel that the renewed, free and just Argentina that we desire and that we are seeking is also a good thing for justice and freedom throughout the world.

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BUSINESS LEADER URGES BREAK WITH NONALINED GROUP

Buenos Aires CONVICCION in Spanish 12 Apr 80 p 9

[Text] Interior Minister Gen Albano Harguindeguy met yesterday for 3 hours with leaders of the Argentine Chamber of Commerce (CAC), the fourth talk in the political dialog. He assured his guests on this occasion that the process that began in 1976 "will continue forcefully and as long as necessary."

The meeting began at 930 hours with Carlos Balbiani, Armando Braun, Ignacio Cornejo, Julio Gomez and Ernesto Grether, from the Board of Directors of the CAC, the second business delegation that has been called in since the start of the political dialog last 26 March. The minister told them that the above view was the "unanimous judgment of the Armed Forces."

At the close of the meeting, held in the Hall of Shields of the Interior Ministry, which is on the first floor of the Government Palace, the leaders, accompanied by General Harguindeguy, headed for the newsroom.

The interior minister pointed out that they had analyzed issues relating to "the country that we all want to have."

Armando M. Braun acted as the group's spokesman at the press conference and emphasized first that for many years Argentina has been undergoing not just an economic crisis but one which also had political, economic and social impact, and this subverted the moral order."

"There was an all-around crisis," the business leader commented, adding that during their talk they had expressed their general support for the economic program that the Federal Government is pursuing.

Withdrawal from Nonalined Countries

Braun commented that one of the specific requests that they put forth during the dialog was that Argentina withdraw from the group of nonalined countries, "which is headed up by Cuban tyrant Fidel Castro."

The leader also said that they had discussed the union law, the social benefits bill and the implications of discounts for workers.

They also told the minister that the state had to be more efficient in providing the services that are its responsibility, while underscoring the concept of a subsidiary role for the state.

Braun told newsmen that they had expressed their thanks to the Armed Forces for the victory that they achieved in the war against subversion, noting that they had returned the country to peace and security.

In this regard, they stressed that the Armed Forces should continue to be on the lookout, inasmuch as the dangers of subversion have not yet disappeared.

Braun mentioned that they asked Harguindeguy for the total reestablishment of the legal order, calling for the repeal of a number of laws that are causing legal insecurity for businessmen. As an example, he mentioned the supply law. They stressed that since it was a totalitarian law, it ought to be repealed immediately.

When questioned as to the country's image overseas, Braun stated that Argentina's position is very clear in all of the world's business sectors.

He said that during his trips abroad and in contacts with businessmen he had not heard any criticism of any area of government action.

Official Press Release

The press office of the Interior Ministry then issued a press release on the meeting, reporting that "the minister first explained to his guests the basic reasons why they were summoned. He mentioned in particular the need to broach the basic issues for the country's development that emerge from the program foundations proposed by the Armed Forces."

The report later says that "the guests, after expressing their particular interest that 'this process continue to develop without haste and in the environment of security that the country has achieved

thanks to the actions of the Armed Forces, so that we can thus arrive at the democratic solution to which the country and its citizens are entitled,' cautioned that 'we must not let down our guard, because the red stain is spreading throughout the world.'"

"They specified," it added, that "within this context we have to take advantage of this period to create the conditions that will guarantee that the ground rules of a true democracy are observed in the future."

The document then adds that the businessmen "expressed their satisfaction because 'despite the criticisms that can be made of the foundations, for the first time importance is being attached to justice, education and ethics. We need time to develop the country's future leaders.'"

"The Process Will Continue Forcefully"

It goes on to say that "at this point the minister spoke up and gave assurances that the National Reorganization Process would continue forcefully and as long as necessary. This is the unanimous judgment of the Armed Forces."

It was officially added that "during the meeting each of the guests alternately expressed his concerns regarding foreign and labor policy issues, and they all made known their particular concern over the Social Benefits and Professional Associations laws."

The Interior Ministry communique then states that "they also broached cultural and educational topics and expressed the need to stress the participation of the private sector in education, although the state must still take care of the corresponding controls and establish the appropriate policies."

The press release also emphasizes that "the guests underscored to the minister that since 1976 private enterprise has been constantly bringing in advanced technology in an effort to develop the various sectors of the economy. In this regard, they pointed out that they felt an in-depth solution to the metropolitan port problem is needed."

Lastly, the release notes that "they were particularly emphatic in expressing their views on the subsidiary role of the state, which they feel should be more clearly spelled out," and "they advocated including in the foundations the concepts of monetary stability and a balanced budget as indispensable elements in the economic context that we wish to achieve."

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CORRUPTION CHARGES LEVELED BY PERONISTS FOR BIR SHUTDOWN

Buenos Aires CLARIN in Spanish 11 Apr 80 p 10

[Text] The Peronist Party yesterday released a statement "concerning the situation created by the liquidation of the Banco de Intercambio Regional (Regional Exchange Bank) [BIR] and its ties with the system." The statement is signed by the vice president in charge of running the party's National Council, Deolindo Felipe Bittel, and its secretary general, Lazaro Roca.

The statement begins by pointing out that "one of the basic pillars on which current economic policy rests is the financial system adopted in June 1977," which replaced the financial reform of 1973, the main features of which the statement then describes.

It asserts that under the new system "the 'finance industry' proliferated in abundance. Monetary speculation became the favorite hobby of anyone who had some capital available and the obligatory activity for the many businessmen who were without productive horizons in other fields of national economic life," while "foreign capital, lured by the extraordinary generosity of this veritable financial paradise, flowed in to obtain rates of return that were triple the prevailing rates on world markets. All of this took place within the framework of an economic policy that was supposed to replace 'speculation' with 'production,' as the initial documents of the military regime announced."

It points out that the euphoria "was not interrupted when the irregularities committed by major private banks and some state banks became public, nor when it was learned that a number of private banks were assuming serious risks in a mad race to attract the public's deposits," noting that "all of this happened while the monetary authorities stood indifferently by."

The Peronist declaration then says: "The financial disasters of the past few weeks, which entailed losses for 350,000 savers and affected more than $1 billion dollars in deposits, represent the worst financial

scandal of the century. This shameful maneuver, a clear-cut manifestation of corruption, represents a subversive economic assault, but the authorities have not seen fit to condemn it. None of the investigators who fruitlessly exhausted their energies looking into the constitutional government that they deposed was inclined to link this scandalous maneuver with 'corruption' or 'subversion.' On the contrary, they rewarded the same monetary authorities who presided over this colossal calamity by giving them another 4 years in their posts, in other words, even beyond the term set for General Videla to lead the country."

It emphasizes that "the losses that the country's economy has undergone because of these episodes, which under other circumstances would have already brought about a military uprising, are unconcealable," and it then lists the repercussions for personnel:"deprived of their jobs," and for depositors: "who trusted that our monetary authorities would maintain the supervision that they are supposed to and that will soon extend to the companies that are on the list of debtors."

It underscores that "an arbitrary system of financial salvaging has been made available to the institutions hit by runs on deposits. This is clearly reminiscent of the Institute for the Mobilization of Bank Investments, which was set up in the 1930's, an ill-famed decade whose history the government seemingly wants to repeat, both in terms of economics, finances and institutional politics, in keeping with the developments that characterize the current Argentine scene."

The Peronist statements continue as follows: "Needless to say, the subsidies of the monetary regulation account, the blank check guarantees of the Central Bank and the network of rescue operations offered to the finance 'industry' constitute an irritating privilege that no other economic activity in the country enjoys, neither industry, which has been subjected to an implacable process of dismantling, nor agricultural and livestock production, which is burdened by the weight of the exchange rate 'convergence,' nor much less the country's wage earners, the civil servants, the self-employed or the always overlooked pensioners, who continue to bear the enormous burden of an economic and financial policy that has abandoned all ethical, national and social principles and that has failed to achieve its most elementary objectives."

The Peronist declaration concludes thus: "The country's businessmen and defrauded savers should think about this. This is just one of the more visible fruits of the absence of constitutional institutions, the lack of public control and the concentration of power, in short, the decapitation of the republic and the demolition of democracy."

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UNIVERSITY RECTOR REPLIES TO BISHOP'S ACCUSATIONS

Buenos Aires CONVICCION in Spanish 12 Apr 80 p 8

[Text] After the archbishop of La Plata, Monsignor Antonio Plaza, pointed to alleged "Marxist ideological infiltration in the National University of La Plata" in statements on Thursday in Chapadmalal, the rector of the university, Guillermo Gallo, expressed his surprise over these statements and asked to be shown "specific cases of Marxist infiltration" in the university that he heads.

Monsignor Plaza made his claim during a break in the Third Pastoral Sessions on Infancy and the Family, which the Argentine episcopate organized in Chapadmalal. Questioned by a newsman, the archbishop stated that "without doubt, of all the tasks of this government, which seeks to reorganize the country, education lags the farthest behind. I am not blaming anyone," he indicated; "I am simply stating the truth."

After clarifying that the Ministry of Education of Buenos Aires Province "is moving forward in this field," Monsignor Plaza pointed out that on the national level "we cannot say the same," inasmuch as "it is encountering difficulties with each step of the way." He indicated in this regard that "in the National Private Education Service procedural matters are being unjustifiably delayed, which is bad for the church and for private education in general."

He then mentioned the specific case of the Catholic University of La Plata, which "lost a year waiting for approval" to set up a secondary school. In light of this situation, "we went to the provincial Ministry of Education, and its head authorized and approved the program in 15 days."

With regard to the claim of alleged Marxist infiltration in the National University of La Plata, its rector, Guillermo Gallo, stated that "so far we have had cordial relations with Monsignor Plaza, and at no time has he personally expressed this concern to me." He then indicated that "what I do know is that many individuals who were dismissed from this university for ideological reasons are now at the Catholic University of La Plata."

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INFANTRY CALLS UP RESERVES IN CATAMARCA

Buenos Aires LA NACION in Spanish 1 Apr 80 p 7

[Text] San Fernando del Valle de Catamarca--The 17th Air Infantry Regiment has called up reservists from the 1949 to 1960 classes. They will report on the 12th of this month to form at least two regiments.

The information was furnished by the unit's second in command, Lt Col Carlos Fernandez Suarez, who indicated that notices have gone out to some 2,000 citizens who did military service in the regiment. He added that 150 women were also called up, most of them graduates of secondary schools over the last 2 years, to form three auxiliary infirmary sections. The command of the local regiment, following orders from the Command of the Third Corps, issued both of the call-ups, which do not represent a mobilization, Lieutenant Colonel Fernandez Suarez stressed.

Purposes

He explained that the call-up of reservists and women, which is being done for the first time even though it is provided for in defense laws, aims at: "a) integrating the community and the army on the basis of our national spirit; b) reaffirming the solidarity with their country of citizens who served in the army; c) bringing reservists together; and d) bringing women into activities related to national defense."

Each regiment will have its own staff, officers and junior officers, who will come from among retired and reserve officers and junior officers, who will be promoted as the occasion requires. Also, each regiment will bear the name of a leading figure from Catamarca, either military or civilian.

Support for the Community

The various units will receive instruction one Saturday out of the month, practicing close order, gunnery, etc. They will also attend

lectures on issues connected with national sovereignty. The reserve units are scheduled to form this coming 25 May, to swear allegiance to the flag on 20 June and to take part in the 17 August review parade.

The reserve units will do work in support of the community and undertake civic action and similar tasks, and the women's units will cooperate in health care campaigns, immunization drives, etc.

Even though notices have been issued only to the soldiers from the 1949 to 1960 classes, Lieutenant Colonel Fernandez Suarez pointed out that all those who so desire can join the new reserve units, and he invited them to go directly to the authorities at the military garrison.

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INCREASE IN MEAT EXPORTS TO USSR MAY NOT CONTINUE

Buenos Aires CLARIN in Spanish 11 Apr 80 p 14

[Text] Beef exports continue to decline. According to data gathered by the National Meat Board, figures that the board has not yet released officially, March shipments totaled 36,000 tons, which is the weight including bone. This is one of the lowest levels since early 1976 (the only lower months were February 1977 with 34,000 tons and March 1976 with 26,000 tons).

Moreover, this is not an isolated figure. For the last 6 months, starting in September 1979, foreign beef sales have recorded a sharp downward trend.

Last August, foreign meat sales totaled 70,000 tons. This prompted a rise in livestock prices, which petered out in subsequent months, and severely worsened the troublesome situation that developments in the exchange rate had created for the meat-packing industry. The average for the first 8 months of 1979 was 64,000 tons a month. As of that moment, the steady trend of heavy foreign sales was reversed.

The March figure represents a 49 percent drop from last August's exports, a 44 percent decline with respect to the average over the January-August 1979 period and a 39 percent fall from the March 1979 figure.

Moreover, the average over the last 7 months (September 1979-March 1980), 45,500 tons a month, shows a 30 percent decline compared to the average for the preceding 8 months.

Furthermore, total exports for the first quarter of 1980 (135,000 tons) are the lowest for such periods in the last 3 years.

Another detail, however, defines these trends even more clearly. The recent figures are coming in at a time when, owing to the special circumstances on the world market, the USSR has substantially boosted its purchases of beef from Argentina.

In March, shipments to that country totaled some 13,400 tons, about 37 percent of the overall figure for the month. Over the first 3 months of the year the Soviet Union has purchased 28,597 tons, which is more than it bought all of last year.

Now then, is the Soviet Union a regular purchaser of Argentine beef? Export sectors regard it as a market with a very fluctuating demand, mainly determined by the ups and downs in its domestic output or by the levels of stocks in its processing industry.

Fluctuations have occurred in previous years. There have been months and quarters during which the USSR has refrained totally from purchases on our local market. This happened, for example, in 1978, when no sales to that destination were recorded.

Thus, there are no assurances that purchases will remain at their high levels in the months to come. Furthermore, export sectors are of the opinion that the 13,400 tons bought in March surpass the Soviet market's current needs, which would indicate that they are bolstering their meat stocks.

In this context, meat processors and livestock producers are wondering what might happen if the current expansion in Soviet demand were to reverse itself.

Overall meat export data would indicate that if it had not been for this, overseas sales of beef would have dropped to very low levels, because shipments to other destinations have fallen off sharply. For example, the European Common Market, which absorbed at least 25 percent of Argentina's overseas sales in 1979, cut its share to 15 percent last March, as approximately 5,400 tons were shipped to that market. In 1979, the EEC purchased an average of around 15,000 tons a month.

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BRIEFS

SCIENTISTS RETURN--Eleven research scientists who were living abroad have decided to return to Argentina to pursue their work in their homeland. This was announced last night by the secretary of science and technology, Dr Fermin Garcia Marcos, who indicated that "21 new researchers, 11 of whom were residing overseas," came to the last meeting of the Scientific and Technological Research Career Board, which was held 15 days ago. Garcia Marcos stressed that "this news is of far-reaching importance," explaining that of these 11 researchers, "6 are former fellowship winners and 5 are Argentines who were living overseas; they are coming back to the country to take part in the research program of the National Scientific and Technical Research Council." With regard to the meeting of the Secretariat of Science and Technology of Puerto Madryn, Chubut, which will begin today, he then said that "it will draw up a report for Chubut authorities and for the press concerning the secretariat's all-around efforts"; this will also include the issue of regionalization and support for the region of Patagonia. He emphasized that "we are interested in the provinces getting the priorities that the zone requires," mentioning the following projects that are under way in Patagonia: research on arid areas, oceanography, coastal marine resources and continental waters. [Text] [Buenos Aires CONVICCION in Spanish 12 Apr 80 p 8] 8743

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LEADING ECONOMISTS PROJECT ECONOMIC TRENDS IN 1980'S

Sao Paulo BRASIL EM EXAME in Portuguese Special Edition Apr 80 pp 19-45

[Text] In this first section of BRASIL EM EXAME, 12 economists associated with different schools and trends of thought discuss the direction of the Brazilian economy, based on the legacy left by the 1970's. And nothing is more natural than that this debate open with an especially candid statement by Minister Antonio Delfim Netto. Hailed by some and detested by others, he was the leading figure in economic policy during the first half of the 1970's, a position that he has resumed at the start of the 1980's with redoubled vigor and powers. Directly or indirectly, Delfim's shadow is projected on each one of the statements in the debate which follows; a debate that is not based on differences alone. There is, for example, complete agreement on the need for taking steps toward a recycling of energy in Brazil.

The difference in viewpoint, in the way in which each economist observes the process of economic slowdown, is interesting. The nuances range from Carlos Lessa, who philosophically reasons that "the crisis is a recurrent, inexorable period" for the market economies, to Dercio Garcia Munoz, who claims that we are facing deepseated destabilization. "The dream has ended," he remarks. A certain amount of emotion arises when the problems of the distribution of income are discussed, an understandable occurrence because the encounter between economics and ethics takes place on this issue. It is interesting to note how economists with such different views agree that it must be improved. This even includes Minister Delfim, who admits that there was a greater concentration during the so-called years of the miracle, but who denies that the level of income of any sector of society, taken in an isolated fashion, has deteriorated. He claims: "They have all improved, some more than others." Delfim defends himself, attacking mischievously, and often with sarcasm. He justifies his policies, both now and in the past, criticizing those who criticize him, and emphasizing what he regards as the main challenge of the present: unemployment. According to the minister, even inflation has become a lesser problem in comparison with the social issue which, at this turn in the decade,is unquestionably the common denominator of all concerns.

Antonio Delfim Netto: "With a Growth Rate of 6 Percent It Will be Possible to Have Employment"

To imagine what the Brazilian economy will be like at the end of the decade is a complicated matter. But it may be predicted that, in 1984 or 1985, there will be a livable inflation rate; the inflation rates that Brazil has always experienced, and for which corrective mechanisms exist, are rather moderate. From the standpoint of economic growth, the great constraint is the balance of payments. If the effort for exports is successful, we shall not face serious problems in the external area. It will be possible to maintain an average growth rate of 6 percent (absorbing between 2.5 and 3 percent per year of the increase in the labor supply), without creating a problem.

What is really needed is to gear the economy to the energy shortage. Taking this fact into account, I can be reasonably certain in saying that, about 1984-85, we shall be producing approximately 500,000 barrels of oil per day. This is based on known reserves. But there is also PROALCOOL [Alcohol Program]. By the mid-1980's, we should be producing the equivalent of 170,000 barrels of alcohol per day, in addition to the equivalent of from 70,000 to 100,000 barrels of oil per day in coal.

The gas generator has an enormous future in agriculture. We have already developed everything; the technological problem which existed (that of the accelerator) has been solved. The equipment is efficient, as much as as the gas generator, which has an efficiency slightly under that of diesel, can be. But it is quite suitable for tractors and for stationary engines in agriculture. There are some other lines being explored, but they are already a reality. All that is required is some investment. For example, coal liquefaction, for which the technology already exists.

And so on; there is a series of possibilities. For example, by 1984-85 we may be importing less oil physically than we are importing today. We must understand that the previous world of cheap oil has ended. But, by physically reducing oil imports, we shall achieve a small compensation. We must take into consideration the fact that, when the hike affects us, it also causes inflation in the entire world, raising the prices of our exported products. So, if we really curb physical imports, we shall be on our way toward making a considerable cut in the deficit in account current. In other words, we shall be able to have a growth rate resulting from the lesser debt.

There are obviously sectors of the economy which will grow less. Agriculture, energy and exports will be the leading vehicles for Brazilian expansion, as the automotive industry was during the 1960's and the petrochemical industry in the 1970's.

As biomass energy is really produced, the natural path will be opened for incorporating the population in the rural areas into a modern sector of the economy. There is no more efficient way of making that connection than

by producing sugar cane, lumber and ethanol, in the process which will be developed by PROALCOOL. We shall reduce the flow of migration, to solve the problems of the urban centers. There must be a guarantee of employment in the cities. And, with a growth rate of 6 percent, it will be possible to have employment which is, let us say, sufficient in the large centers.

A change in the profile of the nation's income, with this new wage policy that calls for a greater increase at the bottom than at the top, depends on two things. Although it may be unpleasant, it depends on the growth of real wages and on the employment rate. Hence the need for guaranteeing them. So long as the labor leaders are only concerned with the nominal wage, nothing will be resolved. Since they need not concern themselves with employment, because it is guaranteed by law, it is difficult to foresee a change at the base. Now it is obvious that the present wage policy contains within itself the opportunity for closing slightly the gap, the distance between the most qualified and the least qualified.

That opportunity can only become effective if there is a relatively lesser increase in the higher wages; something which will depend not only on the law, but on the market as well. Where is the market heading? Let's suppose that we have to guess the wage of an engineer in comparison with that of an unskilled worker, today and 3 years from now. What will happen? It is obvious that the engineer's wages will increase far less. They increased more when the rate of growth of the GNP was 8, 9 and 10 percent; in other words, when there was a sharp demand for skilled labor. The 6 percent growth now advocated is accommodating. We shall have a reduction.

To claim that when the economy was growing more there was an equal demand for engineers and unskilled labor is false, because two different supplies are involved. The supply of skilled labor is completely inflexible, and the supply of unskilled labor is completely flexible. During the period of expansion, there was a reserve army of unskilled labor, and a virtually fixed supply of skilled labor. Now, the situation will work in a different direction. Obviously, the demand for skilled labor will grow less, and the supply will grow more. Therefore, without the slightest doubt there will be a drastic change in the earnings of personnel on the university level.

As for the functional distribution of income, it should improve on behalf of wages in general. There will be a gain of 1 percent per year in wages compared with capital; which may be regarded as remarkable speed. One need only observe the following: Today, the functional distribution should be two thirds labor and one third capital. With the new policy, 5 years hence the change will be dramatic: 72 percent labor and 28 percent capital.

Hence, to make the economy continue to grow, a mechanism must be established to attract savings accrued over and above work. Otherwise, the economy will not grow. The greatest delusion in the world is to think that a dramatic change can be made in the distribution of income within a very short

period of time. A revolution could be carried out, abolishing private property, but nothing would happen. The wage-earner would end up receiving exactly what he received before, and the public sector would install itself on top of him, and keep the surpluses. There cannot be the slightest doubt of this today. One need only observe the world, and see where the most radical revolutions have become established, where arbitrary revolutions have been established. That was what happened in Cuba.

Actually, what is necessary is to create a real opportunity for increasing the rate of savings. If not, the development will fade. This is essentially a physical problem. Development depends (whether people like it or not, of whether they agree or disagree), over the medium and long term, on the level of investment. It may be unpleasant, but it is so. Over the short term, it is possible to utilize idle capacity, and to mobilize resources better. It is possible to improve the efficiency of the process a little. But, over a slightly longer term, everything depends on the level of investment. So, as changes are fostered in the distribution of income (the functional distribution), it is also necessary to foster mechanisms which will not upset the rate of formation of savings.

Clearly, the problem today is slightly different. Here, we are attempting to discuss 4, 5, 6, 10 years in the future. But I think that the question is a fundamental one. Because, whatever happens, regardless of the social pressures, if Brazil wants to grow it will have to increase its rate of investment; in other words, we shall have to save more. Now it is internal savings, because there is no other method for clearing the deficit in account current. For many years, we were aided by that participation of foreign capital. Today, that contribution is lacking. It is inexorable in this regard: The difference between what one wants to invest and what one is going to save is strictly equal to the deficit in account current, by definition. This is a physical fact. There is no ideological strategy that can surmount it. The individual can write articles, saying what should be done and what move to make, that this depends on the social structure and the nature of the institution of property: all this is true. Only there is a basic, physical fact which still precedes all this.

As for the problem of the concentration of income during the period up until 1974, I have no reason not to admit that it is true. Today, things are in their proper places. The nonsense that was stated about this between 1974 and 1978 was such that the individuals no longer have the nerve to repeat it. There is that report from the World Bank which ended up making a summary of the entire matter. When the economy was growing rapidly, there was really a worsening in the distribution of income. However, what does that worsening mean? It means that the Gini Index was worse. (1) But what does the Gini Index measure? It measures distance. Then it is what I have always said: Everyone improved, some more than others. And it is a fact. During a period when there was growth, real wages increased from 3 to 4 percent per year. No one would challenge this. And not only did real wages

rise; the volume of jobs increased too. People forget this; that is, the fact that Brazil's problem is employment.

Everyone talks about the problems of the cities, and with good reason. But if there was no employment for all that urban population the problems would be even greater. Inflation is not the cause of the current situation. It is unemployment. Inflation produces discomfort and worry, but it is not, for example, the leading cause of alienation. These are unpleasant things, and no one wants to talk about them; because it is far easier to keep making merely monetary innovations, and not address the facts, the fundamental matters. In a wage discussion, no mention is made of employment. That term is avoided like the plague.

In connection with past criticism, and that which has continued to the present, to some extent, I think that the individuals fall prey to bunk and to what is emotional. Some say: "They have internationalized the economy." Or else: "Our agriculture is for export." For example, where is the export agriculture in Brazil? Brazil is the greatest coffee producer; it produces 15 million tons of soybeans. But it is also one of the greatest consumers of those products. It is the world's leading sugar producer. What does it export?

We allow ourselves to be involved in certain notions. The Brazilian really has a tendency toward noise. Perhaps because he is a samba dancer, things have to have rhythm for him. For example, "internationalization" is onomatopaeic; it sounds good. But almost no one is willing to think about things.

What matters is finding out whether national capitalism has become worse or better. We note a number of idiots making the following statement: "Actually, the one who produced all this was Juscelino. With that mania for greatness, he did not foresee that, in 1973, there would be an oil crisis. We put ourselves into an automobile industry, and now we are captives; because that industry is the leading one in the country. In other words, 20 years ago, some irresponsible person caused this here; he did not foresee that business."

The example is typical of the alleged evils of "internationalization." We observe that Sao Paulo's industry has remained very poor. Sao Bernardo is a town that really came to an end; it no longer exists. The auto parts industry is in a completely wretched state. What happened? Who is consuming the automobiles? Another rascal says: "Oh, it is the 5 percent who are the wealthiest." Who consumes the old automobiles, the second and third-hand ones? Where is the profit? Look at the pressure of the profit on the balance of payments, and the remittances.

Why doesn't anyone discuss this any more? It is a topic that is hidden. If we find the predictions made in the remarkable books published by Brasiliense several years ago, we would have an interesting topic for investigation. Find what some rascals who are talking today wrote 15 years ago;

because no one can resist the temptation to make a prediction, as I am doing now (the last thing that I consider myself is different).

There are obviously problems in this issue of internationalization. Of course we would like an autochthonous development, without any participation. If we could be an efficient autarchy.... But who is? The United States? Canada? The Soviet Union? Those who talk about a model annoy me somewhat, because they do not say what theirs is. What is the alternative model, if a model exists? No one dares to say. Everyone talks about democracy. One wants a democratic monetary budget; another wants something or other democratic; but no one wants to explain its nature. Why is it that, today, no one says any longer: let us socialize the means of production? That business has become vulgar. Only a few "chicharros" (2) (because the Mass of the seventh day has not yet been celebrated) still really believe that the economy can be nationalized and a democratic state achieved.

When a person talks about an alternative model, and one begins to goad him a little to find out what he means, he keeps on and invariably arrives at the automobile industry: "It caused all the misfortune in this country. If we did not have the automobile industry, we would not be dependent on oil imports." It would appear that tractors have done harm to Brazil. We could all be using the hoe.

No one could take this seriously. Of course, one can say this on a podium; one can say this for a little amusement; one can use this humorously, to annoy the adversary, or merely to irritate the minister. Then it is all well and good. But to really believe this now is something beyond the limit.

There are individuals whose logic determines their ideology; and there are individuals whose ideology inhibits their logic. Many of those people are trained people, people who would like to have a different world. It is a reasonable aspiration. Who would not really like a democratic socialism? Only no one says how it can be accomplished.

People with education know that there are physical limitations. The ideology is the dream, the desire, the society that they want to construct. But this does not inhibit the operation of their logic. They know, essentially, that old Carlos (3) was right: that this is after capitalism, when capitalism produces its most complete and most living flowers (the rascals think that it is before). And that is why there is criticism which is quite well founded. And I recognize it. Nothing can be done with those who place ideology above logic, above everything. There is only one solution: turn over the power to them. And then, go to the other side and do the same thing: adopt the "Gaucho" attitude. But "Gauchism" suffers from a dreadful problem: it is inhibited by a pretty woman. "Gauchism" undertakes everything, until the critical moment. Then it really sees that it is not what it seems, that it is insane; and then it changes direction. "Gauchism" is never fulfilled, and therefore it is always alive. As for the person of the "Gauchist," it is never the same. It does not belong to a class.

Editor's notes:

1. The Gini Index, which measures inequality in the distribution of income (the higher the index, the more unequal the distribution is), rose from 0.57 in 1970 to 0.606 in 1976 (the latest available information).

2. A Hispanicism, popularized in Brazil by the clown, Chicharrao, a member of the traditional circus family, Queirolo. The equivalent is clown.

3. Karl Marx.

Adroaldo Moura da Silva: "Good Handling of Conflicts Will Preserve National Control"

The Brazilian economy had two well demarcated periods during the 1970's. The beginning of the decade was dominated by the resumption of the tendency toward rapid capitalist modernization of the society which had been started by Juscelino in the mid-1950's. At that time, there was an intensification of the process of diversifying Brazil's industrial facilities and making it sophisticated in inprecedented patterns. Heavy industry underwent a growth unparalleled in the nation's history; and that of durable consumer goods definitively occupied the urban areas and the households of millions of people. Various industrialization projects were assigned to the Northeast, and remote Manaus was to house a prosperous, foreign electrical-electronic industry.

Concurrently with the capitalist modernization that is underway, there are still profound social and economic shortcomings, as indicated by the tasks to be performed during the 1980's. The following, among other contrasts, may be cited:

1. 60 percent of the children who enter school in the first grade do not even finish the second year.

2. The infant mortality rates showed a sharp upward trend during the first half of the decade, and the poorest populations still suffer from endemic diseases.

3. The agriculture directed toward the domestic market has been excluded from progress; and one notes a stagnation or a downward trend in the per capita food supplies.

4. Rural employment and that of the lower positions in the urban occupational structure are undergoing fluctuations which threaten the stability of the income of the most needy groups.

5. There has been a dramatic increase in shortages of urban and rural infrastructure.

6. There has also been an increase in the dependence on foreign countries for energy supplies (oil) and technology.

The advent of these problems to the political arena and that of the news media has shaken the already weak institutional structure, in the realm of economic policy which served as a background for that modernization. Thus, the second 5 years of the decade were a period wherein awareness was acquired of the real economic and social dimensions of the country. It represented something like an awakening to the reality that will dominate the 1980's: This is still a poor country.

More dramatic, however, is the fact that, so long as this process lasted (1974-79), the national economy yielded to the inertia of the crisis. Thus, strong social tensions accumulated, which were produced by the rise in unemployment and poverty.

Concurrently, and in mounting numbers, the institutions responsible for the direction of economic policy lost "power," and became subjected to the unruly, incompatible demands from business owning sectors or groups. The level of disorganization which prevailed in the country at the time was such that there was not even an accurate notion of the real deficit in the National Treasury, estimated by some at about 5 percent of the gross national product. Hence, an environment conducive to another outbreak of inflation was created.

Briefly, the following are the tasks to be accomplished during the 1980's: To recover the relative autonomy of the instruments of economic policy, and to combat inflation are the minimal prerequisites for attempting rapid growth again.

When this has been done, the parallel task will be to administer a policy of price hikes so as to: a. lend consistency to, and prevent shocks in the relative price structure; b. stimulate investments in energy, the sectors responsible for the supply, the sectors substituting imports and the exporting sectors.

With this primary setup for the good management of business reestablished, then the traditional policies (monetary, credit and tax) will start playing a critical role in controlling the growth rate. It is important to stress that the desire for growth alone does not suffice, and that not all growth is desirable.

In the first place, the demands imposed by our foreign debt point in the direction of a great exporting effort throughout the 1980's. This will surely intensify the tendency towarding internationalizing the Brazilian society's patterns of consumption and production.

Secondly, the dependence on imported oil requires that we seek alternate sources of energy, without fail, so that we shall not waste the industrial

capacity already installed, and so that new investment opportunities will be created; in other words, establishing new frontiers for accumulation under the control of native enterprise.

Thirdly, the social shortcomings unequivocably indicate a need for large investments earmarked for the expansion of the sectors producing goods for widespread popular consumption.

Of course, these are tasks which require competence and balance, if they are to be performed successfully. It is essential to realize that citing the goals of the economic policy alone does not suffice: the management of action almost always divides opinions more than do the differences concerning the goals that have been cited. Quite often, conflicts are constant in directing economic policy, from oil prospecting to the construction and expansion of the medical and hospital system.

Therefore, since the 1980's will demand the elimination of critical restrictions in the external area and in determining new frontiers for accumulation (energy and social infrastructure), the daily management of these conflicts through economic policy will be critical, so that the power for effective control of the economy will be kept in the hands of natives to the maximum extent. Thus, the task to be assigned to those responsible for running the nation's business has become converted into a political endeavor of utmost importance, and the minimal prerequisite for the effective exercise of this assignment is the democratization of the decison-making processes of this society.

[Note] Adroaldo Moura da Silva is a professor at the Economic Research Institute Foundation at the USP [Sao Paulo University].

Carlos Lessa: "Everything That Rises, Falls; the Crisis Is an Inexorable Period"

There is consensus today that the country is steeped in a serious economic and political crisis. Nevertheless, any evaluation (through the usual indicators of growth in the product and on employment) would conclude that the material performance of the economy during this decade has been remarkable. Not for the vast majority of the Brazilian people, who have silently observed the widening of the social gaps. The ruling factions still profited from the 10 percent growth in the GNP per year during the period of the "miracle;' and, during the next 5 years, from the 6-7 percent annual expansion in current production. Thus, Brazil has started 1980 as the seventh or eighth-ranking capitalist economy, with a population of 119 million and a per capita income of over $1,300. Then where is the crisis?

The escalation of inflation which, with the 80 percent last year, doubled the level for 1974-78, and the gigantic "promissory note" of a snowball foreign debt of $50 billion, are certainly manifestations of the crisis. The increasing swell of votes cast for the opposition label indicate the dissatisfaction

of the majority of the populace with the political regime. The outcry against "nationalization" proves that the ruling classes, under all the claims of benefiting from the performance, also suspect that there is something rotten in Denmark. These are economic and political manifestations of the crisis. However, it must not be confused with its guise.

The crisis is an inexorable, recurrent period in the movement of the capitalist economies. Everything that rises, falls, as the popular saying indicates. With their typical cyclical behavior, the phases of prosperity are followed by phases of depression, which result periodically in crises. The politico-institutional readjustments of 1964-66 and a favorable international scenario prevailed in a phase of prosperity which culminated in the boom of the early 1970's. In this upward movement, the majority of the industrial sectors expanded their production capacity. This explains extensive margins of idle capacity, the presence of which inhibits the resumption of productive uses. Since 1974, there has been a substantial decline in the rate of growth in productive investment. Herein lies the key element in the cyclical decline. Under capitalism, the success of the previous expansive movement, by producing an idle over-capacity, limits the room for continuity of productive accumulation. The profits which are still produced despite the idle margins are discouraged from productive applications. This is a pitfall, because, when the productive investment declines, the economy loses dynamism in terms of the expansion of the productive potential.

However, in the Brazil of the second half of the 1970's, the loss of dynamism did not entail a shrinkage in current production. On the contrary, it continued to expand at extremely high rates, toward a declining cyclical phase. The operational profits of the business firms continued to multiply. Similarly, an observation of the majority of balances of the large firms shows a relative and absolute increase in non-operational profits. This indicates that it was possible for the firms showing surpluses during those years of cyclical decline, to apply their profits to the financial area: the source of their non-operational profits. In short, the cyclical decline was not critical for the big capitalists.

In search of an explanation for this non-critical crisis, we arrive at the economic policy of administration of the crisis. We must recall its principal vehicles. In the first place, public investment was kept expanding throughout the period, guaranteeing a minimal level of growth in current production. This, of itself alone, is the main factor explaining the good performance. Secondly, the declining phase inherited an entire financial institutional framework which would lend a particular capacity for financial accumulation and for its natural speculative inclination. The inter-banking mechanisms for financial expansion, the merger of the foreign debt with the internal public debt, and the scandalous facilities on the money market offered fertile areas for holding the profits for speculative financial uses. The accelerated inflation had its roots in the game orchestrated with the consent and encouragement of the administration of the crisis.

But in the world of the economy there is no miracle which does not end, nor any arsenal of expedients which is not depletable. The efficacious protection of the dominant interests started to accumulate problems. We are not referring to the intensification of the movement for internationalization of the economy, which has now been more keenly penetrated in its financial orbit, nor to the worsening of the age-old tendency toward widening the social gaps. We wish to call attention to the progressive "cat's cradle" in which the political and economic instruments have become entangled. The Brazilian state, by maintaining public investment, permitting and encouraging financial speculation and attempting to assist all the capitalist factions, succeeded in postponing the crisis, and precluding its "externalization," at the cost of increasing inoperability of its political and economic instruments.

We are now witnessing the attempt to untie the "cat's cradle," combined with an effort to continue with the therapy of deferring the crisis. This attempt is running parallel to an effort to re-legitimatize the state through controlled readjustments in its political institutionality. I am not trying to be a fortune teller. But we should remember that untying the "cat's cradle" means externalizing tensions which have been restrained by the administration up until now. Moreover, I do not believe that an authoritarian regime, closed to participation by the large subordinate social factions of Brazilian society, will preserve the minimal interests of the popular classes in untying the knot.

[Note] Carlos Lessa is a professor of the post-graduate course in the School of Economics of the UFRJ [Federal University of Rio de Janeiro].

Carlos von Doellinger:"After a Readjustment, Even Accelerated Growth Is Possible"

During the 1970's, the Brazilian economy, just like the world economy, was more deeply marked by the effects of the universal imbalances stemming from the "oil crisis" (inflation and a deficit in the balance of payments), than by the first years of the euphoria of growth. The imbalances caused a reduction in the average rate of growth, and demanded readjustments, yet to be completed, in the composition of the overall supply and demand, which are causing tension and further imbalances.

There is no reason to avoid hard evidence: In 1974, the drastic increase in oil prices found the economy already operating at high rates of overall demand (the growth rate in 1973 had been 14 percent), which underwent even greater increases as a result of the programs to substitute for imports given an incentive by the government and the increased spending of the state enterprises. The result was, necessarily, a sharp and substantial increase in the deficit in the balance of payments and in inflation. Both, the deficit and the inflation, were and still are, in fact, a result of a single macroeconomic imbalance, an excess of demand in relation to the overall supply.

That basic imbalance was obviously compounded by factors causing inflation of costs, such as oil prices and other imported commodities, the costs of imports in cruzeiros (tariffs, preliminary deposit, etc.) and wage hikes which, in 1974 and 1975, were in excess of the inflation rates. All this entailed a reduction in growth, starting in 1975, without accruing substantial gains in terms of a reduction in inflation and in the deficit in the account current balance. What was even worse than this: the rather vacillating policies applied to both problems were aimed more at the effects than at the causes; and thus, the process of readjustment was being delayed, accompanied by growing social burdens.

That conduct, as a matter of fact, was not limited to Brazil, but rather included the majority of developing nations, whose governments did not feel equipped to cope with the politico-social onus of anti-inflationary measures and the correction of the external imbalance, which were necessary and which were immediately adopted by the industrialized countries. At least until 1976, those countries were counting on the futile hope that everything would return to normal after the economic recovery of the developed nations and the stabilization of oil prices, although at a high level. This did not happen, and the imbalances increased so much that the total sum of the developing world's foreign debt is now close to $300 billion. Concurrently, the rate of growth in nearly all the countries is becoming drastically curtailed. By the end of the decade, when the prospects of new crises and of the return of recession to the industrialized countries reappeared, our basic imbalances become exacerbated again.

All things considered, some difficulties are to be expected at the beginning of the next decade. There is now a real need to readjust the economy to the new reality. Market prices will inevitably have to reflect the situation of the relative shortage of certain resources, notably oil.

The growth of agriculture, the only constructive solution to the shortage of food and the restoration of equilibrium to the balance of payments, must perforce be pursued, through the establishment of a realistic set of relative prices which will stimulate an increase in supply. Brazil is really in a privileged position in this regard, because it is equipped to open new areas for cultivation and to accomplish great increases in productivity.

The reconversion of the industrial facilities and the transportation system to new forms of energy (specifically, alcohol, coal, shale and gas), as well as the increased use of electric power, will require additional costs, and possibly a certain amount of curtailment in the rate of activity that is inherent in any process of readjustment of this magnitude. However, when that phase has been completed, there will be conditions for a resumption of growth at accelerated rates, as the Brazilian society demands. During that period, owing chiefly to the social shortcomings, the industries producing popular goods: food, fabrics and clothing, and popular housing, can be given a greater stimulus. In addition to meeting the pressing needs of the

majority of the population, also helping to reduce inflation, new jobs can be created in a proportion larger than the possible reduction in the rate of supply stemming from the slowdown in certain activities. In broad terms, we would be gearing the structure of the supply to the available resources, to the new relative prices and to the potential demand.

Many investment opportunities are also appearing in the sectors of the economic and social infrastructure, which are also aimed at the basic needs of the society, and which stand out as great generators of new jobs.

The procedure followed by the other countries which do not export oil cannot be otherwise, although for the majority of the developing nations this option, postponed until now, may prove extremely painful. For Brazil, and for the majority of those countries, the essential restoration of equilibrium to the balance of payments will, in fact, be the most painful task; because it will not be contingent only on the individual efforts of each country. If an international recession of the same magnitude as that which occurred between 1974 and 1975 should take place starting this year, it will be very difficult for the developing countries to maintain growth rates during the early years of the new decade which even exceed those of the demographic growth.

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Cesar Maia:"A Less Savage and Transitional Capitalism Is Possible"

An observation of prosperity and slowdown is insufficient to describe the 1970's: In fact, the alternatives for development in the next decade will only become clear from an understanding of the causes of the present crisis. The crisis at the beginning of the 1960's, as a crisis of the maturation of monopolistic capitalism in Brazil, in its self-improvement, forced a breaking of two bottlenecks: the conversion of the public state enterprises into "private" ones (geared toward profits), and the establishment of a financial system capable of diversifying and speeding the supply of funds for production, accumulation and consumption. Native enterprise, now occupying a subordinate position in the productive area, was caught in the circle of its financial weakness and inability to dominate, in that situation.

The result, in surmounting the crisis, was the accentuated predominance of a foreign capital-state capital axis during the subsequent cycle.

The hybrid class characteristic of state capital indicated the supporting pole of the axis: foreign capital. Some traces of the present crisis were present then. They included the battle which monopolistic capital was waging with the recession, trying to maintain its income return by making prices and moving doubled recession to other areas. It is the well-known game: the government allowing liquidity to support the depressed areas (actually,

to back the decision of the large enterprises to make prices), confirming the released inflationary process. And the wage-earners will pay for the crisis with a real cut in their pay. But this is not enough: There must be a redynamizing of demand, which is done through the always efficient mechanism of investment spending on the part of the state enterprises, now combined and supplanted with an acceleration of the consumption of durable goods. The acceleration of the durable goods consumption occurs as a result of the concentration of income, moving the demand to the sectors with great purchasing power, and through the expansion and speeding of credit to the consumer.

Between 1968 and 1973, with an annual growth rate in the industrial sector amounting to 13.3 percent, the durable consumer goods subsector showed an average annual rate of 23.6 percent. Concurrently, the capital market became "sophisticated;" our financial capitalist novices discovered the miracle of the speculation spiral. They were to be in illustrious company: not only the foreign capital established here, but also, and primarily, international financial capital.

Now, the international distribution of loans will be related to international liquidity which, upon expanding, will produce an aggressive movement in that capital in search of better interest rates.

The domestic speculative apprenticeship begins on the stock exchange in a frustrating manner, expands, when more seasoned, on the real estate market, and, with more practical experience with international financial capital, converges on the short and very short term securities market. The path of this convergence lies in the deficits in current balance, which increase the more the volume of loan capital increases. Finally, the external and internal debts are combined, on a two-way street.

The slowdown in the productive sector lies in the slowdown in demand for durable consumer goods, when the process of concentration of income reaches a maximum and the families' capacity for indebtedness approaches its limit. The economy slows down. But the Geisel government "does not believe" in classes, market, structures and interests. Perhaps it thinks that regulating the economy is like a "joint order." And some dreams are shortlived: the dynamization of the capital goods industry becomes exhausted with the discovery that there is not sufficient demand; the Pharaonic plans for basic input clash with the lack of opportunity and resources; income does not become deconcentrated. After all, the axis of the denomination has not changed. And, once again, the inflation of profit is imposed: the prices of the oligopolies increase, depression moves to the economy, issues are made to insure depression, and so the primary decision is backed by the inflationary process. The economy embarks on a "stop and go" movement. The productive capacity, expanded during the boom, responds in a positive manner to the disorderly growth in demand. The generous teats of issues are available. The end of the process is postponed, but not avoided. The Brazilian economy is projected in a recessive and anarchical fashion, halting the flow of

productive investments. Foreign capital is even stronger; it is pressing. The model proposed by the new government will be the combination of non-traditional agriculture and exports, lending dynamism to the foregoing system. The domestic food supply would be expanded marginally. A slight slackening of wages would lend social support.

The 1980's will not tolerate authoritarian systems which are not socially comprehensive. The present crisis points to an alternative which, depending on the political action and organization of the working masses, could change the so-called "model." In this new cycle, the native capitalist, with an articulate financial system, curbing public spending with a greater social sense, could bring about his domination.

The additional effect will have an impact on the production of essential consumer goods, which will be supplemented by the food supply, with support for the small and medium-sized producer and with stringent control of middlemen. The sector producing capital goods will back the expansion of the capacity of those sectors, in turn stimulating the production of machine parts, cast products and electrical and electronic products.

Thus, the 1980's offer alternatives and possibilities for a less savage capitalism.

[Note] Cesar Maia is a professor in the Economics Department of the Federal University of Rio de Janeiro.

Claudio Haddad: "The Long Term Is Only a Series of Short Terms"

From an economic standpoint, the 1970's, both in Brazil and abroad, were typified by two different phases: that of euphoria, during the first 4 years; and that of uncertainty and adjustment, during the rest. The dividing line was marked by the so-called "oil crisis," that is, the quadrupling of the price of crude oil by OPEC at the beginning of 1974 (a gesture which, although it cannot be blamed for all the subsequent ills, is the essential starting point for understanding them).

Omitting details which are unquestionably important, but too complicated and lengthy to deal with here, the oil crisis brought two immediate results: a. a tax on the income of the consuming countries in the amount of the increase of their imports of that product; b. on the basis of the revenue from this tax, an enormous surplus in account current was noted in the producing countries, with an identical counterpart of deficit in the consuming countries. Although the tax per se was not so high (generally less than 5 percent of the GNP of the consuming countries), experience to date has shown that it is extremely difficult to reduce the aggregate outlay so as to make that transfer without a constant impact on prices. The difficulty is multiplied by the short term inflexibility of the demand for petroleum and its by-products, because of the absence of good substitutes; something which has

made the policy of liberating prices extremely unpopular, especially in the economies dependent on the automobile. Eventually, the general solution that was adopted was half-way between inflation and unemployment, a phenomenon which has come to be labeled "stagflation." As for the adjustment of accounts current, although some OPEC nations embarked on an active program of industrialization, the majority of their funds were channeled to the Eurodollar market, and from there recycled to the countries with deficits.

In Brazil, the fear of recession, associated with the remains of the euphoria at the beginning of the decade, caused the economic authorities to desire the impossible: to adjust the account current by increasing the next rates 10 percent per year, with a minimal impact on inflation.

What can be expected from the 1980's? Instead of engaging in an unpleasant exercise in fortune-telling, we prefer to list some basic problems which will have to be faced by the Brazilian economy.

The first and most pressing one is the issue of oil and the recycling of petrodollars. Recent political events in Iran and neighboring countries have proven that it is impossible to count on a guaranteed supply, much less on stability in oil prices. Combined with the really negative interest rates which those countries are obtaining on the Eurodollar market, these events indicate a policy of reduction, or maintenance at the most, of the present production rates, with a constant rise in prices of the product over the coming years. Moreover, in view of the volume of funds to be recycled by this action, and the increased risk in the activity of middlemen, in view of the worldwide political instability, the international banks are becoming increasingly reluctant to play the role of recyclers of petrodollars exclusively.

So, it is to be expected, from now on, that Brazil will not only be faced with larger "spreads," but will also have to contend directly with the IMF and with the OPEC countries themselves with regard to the financing of its account current; something which should entail major political consequences.

The second problem, also to be faced over the short and medium term, relates to the classic conflict between a significant cut in inflation and the goal of growth at high rates. Is the society willing to accept 2 or 3 years of slight growth and slow absorption of labor in order to reduce inflation again to a level of about 30 or 40 percent? Could this be accomplished in conjunction with a political opening and with the populist type promises which have been arising with constantly increasing intensity from the government itself? The experience from the 1970's would prompt us to be skeptical.

The third problem, and perhaps the most fundamental one, is associated with the efficiency of the Brazilian economy. Still admitting that the controls on prices and interest rates may be relaxed before the distortions caused by them become intolerable, the oil crisis has brought about in Brazil, and in the rest of the world in general, a substantial increase in both direct

and indirect government intervention in the economy. Regardless of what its proponents claim to the contrary, the government is not a better allocator, much less administrator of funds than the private sector. Even the intervention designed to improve the distribution of income should be guided by two basic rules: a. what should be taxed most is consumption, and not savings; and b. what is important in the matter is the physical person, and not the juridical one.

Over the long term, it is likely that everything will be summarized in this third problem, which in our opinion can only be solved by bearing in mind the fact that the market is still the best allocator of funds; and that, therefore, the system of prices, wages and interest rates must operate with a minimum of government interference. Consequently, immediatist dilemmas must not be allowed to obscure this broader outlook. After all, the long term is only a series of short terms. Operating efficiently within these limits is the main economic challenge to be confronted during the 1980's.

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Sergio Garcia Munoz: "It Was an Era Filled With Mistakes; Now the Dream Has Ended"

The 1970's marked the Brazilian economy with the scars of the crisis years, and included a period of short-lived cycles of expansion and contraction which had been noted since the early 1950's; in a process which, rather than breaking with the structures at the height of the rapture, produced within itself a renewed vigor which consolidated the profile of production and ways of concentrating income.

Paradoxically, during the 1970's the Brazilian economy experienced the peak of post-war expansionist euphoria, with the accelerated rate of the 5-year interval from 1970 to 1974, but it also began embarking on the deepest of uncertainty.

Many factors contributed to the shaping of the difficult situation now being witnessed in its most acute form. The sharp increase in oil prices at the end of 1973 was undoubtedly the water divider; although since 1971 the annual indexation obtained by the OPEC nations had already caused a reversal in the prices of the product, after 15 years of decline in the quotations.

But, while the new oil prices shocked the world economy, other factors explain the degree of involvement of the Brazilian economy.

At the outset, we cannot omit the historic error made here by expanding the degree of concentration of income and wealth during the "boom," keeping the large wage-earning masses weak. And when the reversion occurred in the

world economy, the repeated attempts to put in motion orthodox instruments of economic policy caused heavy burdens on the country. This will cause the present time to perhaps be recalled in the future as the decade of mistakes.

In Brazil, the mistake was made of trying to control external bills by introducing cost components in imports, either directly on the consumption of certain goods, minimizing structural rigidity on the side of demand, or through the lesser participation of the imported component in the final price of the product; or else because the degree of concentration of income made consumption rather insensitive to prices. An attempt was made to curb the inflationary impacts caused by oil and by the economic policy itself, by increasing the financial costs within the economy; ignoring the fact that the level of indebtedness among business firms would not offer any alternative other than a greater demand for credit, also to cover the additional costs of the loans themselves.

In the series of mistakes, when the economic system was attempting (in a rational manner for a market economy, albeit perverse) to transfer all the charges to the groups with fixed incomes, through a balanced inflation rate, the system of short term wage adjustments was introduced, forgetting that the economy would tend to seek a still higher inflation rate which was necessary to keep the losses of the groups with fixed incomes at the previous levels, within the shorter time periods established for the wage hikes.

In fact, the situation observed now demonstrates that the available arsenal of economic policies is completely unsuited to the current circumstances.

The increase in the income from oil exports caused deepseated imbalances in international accounts, because the presence of large surpluses required the counterpart of large deficits, making the traditional instruments for adjusting the balance of payments powerless.

From the standpoint of inflationary pressures, an analysis of the monetary imbalances in the market economies proves that processes which were actually irreversible with respect to boosting costs were treated as reversible ones. This is a situation in which the orthodox monetary policy is not only ineffective, but also an additional source of exacerbation of inflationary tensions.

During the decade of mistakes, the Brazilian economy became imbalanced both externally and internally. It accumulated foreign debts which made the process self-feeding and out of control, in an extraordinarily unfavorable international situation; because Brazil's deficits were repeated in the trade balance and in transactions with services.

Internally, the inflationary escalation showed that the economic system had become definitively destabilized, reaching levels which made the operation of the economy and social equilibrium difficult.

These are the challenges which have become transferred to the 1980's, and for which there are no prompt remedies for a solution, much less medicine that is pleasant to take. Everything will have to be reconsidered. The resistance to structural changes will have to be overcome, as one of the means of preventing the very foundations of the society from becoming irrevocably jeopardized.

The use and ownership of land on more rational bases; greater availability of basic services in the areas of health, housing, transportation and sanitation; minimal guarantees for an unprotected working mass; and actual understanding of the sources and destination of the income generated within the economy: these are only a few of the aspects that will have to be attacked. As a background, tax reform has proven to be non-postponable; a considerable cut in oil imports cannot be delayed; and the policy decision must be made regarding which social groups or masses of income will have to suffer definitive losses of real income, a condition that has become absolutely necessary for removing the inflationary imbalances.

As an overall balance, it may be said that the end of the decade brought lessons. The most important of them is that the dream has ended; a fact which will have to be recognized before it turns into an unpleasant nightmare.

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Francisco de Oliveira:"In the Northeast, the Confrontation of the 'Immature Classes'"

Today, the regional issue of the Northeast is no longer that of the stagnation of its economy: the region is keeping apace, to a reasonable extent, with the rates and style of capitalist expansion in Brazil. There is industrial growth in the urban areas. In the rural sections, the trends of growth are quite similar to those occurring in the country as a whole: there is mechanization and a resultant unemployment ("wheels" and "clandestines" are the "cold meals" of the Northeast).

The process of capitalist expansion in the Northeast has the general features of the Brazilian "model," and the peculiar traits which that process gave to a region which had not dissolved its pre-capitalist aspects and relations. The tax incentives led to a typically oligopolistic structure which was already hegemonic on the national scale, in a region such as the Northeast.

During the second half of the 1960's and the early years of the 1970's, gross capital formation amounted to nearly 50 percent of the gross national product in the Northeast, an achievement unheard of even for the Japan of the Meiji Restoration. Financed by tax incentives, that capital formation assumed the form of investments with extremely high coefficients of capitalization, with large components of technological progress in relation to the

pre-existing industrial facilities. That twofold characteristic, while simultaneously expanding, made possible the creation of vast reserves of labor for the industry that was being established. Moreover, the regional agriculture, caught between the pincers of competition from the agricultural commodities in the South and the changes in the internal structure of industrial production in the Northeast themselves, collapsed under the weight of this twofold impact, and released increasing volumes of labor.

The glaring feature of the 1970's was this: the floodgates which had kept the population under the gauntlet of the old agrarian and industrial structures were opened; and, like a giant wave, virtually all the able-bodied population became converted into reserve labor for the new capitalist enterprises in the region. The exporting of labor to other parts of the country did not end, but its trend was reversed: It is the migration within the Northeast itself which is more important now, as if there were an invisible dam forcing people to remain in the region. In the past, the surplus population was converted into a reserve work force outside of the region; now, that conversion is occurring massively and fundamentally within the region. Since the region is now an importer of capital, the exporting of labor is tending to decline, not because of any mechanical correlation between the two types of factors, but because there is tending to be an equalization of the cost of reproducing the work force.

That combined ologopolic structure could not produce anything except a marked tendency toward a worsening of the distribution of income. At the beginning of the decade the income was more concentrated in the urban areas of the Northeast than in the rural areas, which never excelled in this respect. There began an almost deadly competition among the workers themselves for jobs (and it should be noted that it was not that employment did not increase), to the point where the "turnover" in industrial labor became equal to the employed workforce itself. In other words, the rotation of industrial labor in the Northeast is equivalent to 100 percent. In view of this and, in addition, in view of the repression, wage tightening and disorganization of the labor unions (elements which were components of the "Brazilian miracle"), real wages in the Northeast remained ridiculously low. In 1972, the PNAD [National Development Plan] indicated that 69 percent of the employed urban work force was earning up to one minimum wage; during the period of the "Brazilian miracle," the "Northeast miracle" was that 89 percent of the increase in salaried employment took place among those who earned up to one minimum wage. There was no distinction other than a statistical one between those who were employed and those who were not.

The social structure appears to have been invented by the creator of Frankenstein himself. The dominated social classes are a kind of "immature" class; their real, official submission to capital is always intermittent, and periodically interrupted, owing to the vast amount of reserves. The squatter and the sharecropper have only been partially proletarianized; the worker in the urban areas is not always a worker; tomorrow he could be doing odd jobs. The

new middle classes teeming on the seacoast from Ondina and Itapoa, in Salvador, to Praia do Futuro, in Fortaleza, were created in "packages": they are implanted and grafted, whether by the bureaucratized organization of labor in the large oligopolies, or by an equally bureaucratic organization in the state institutions. Unlike the wages of the large working masses, their wages are determined within the pact of the state authority and by the bureaucratized structure of the large business firms.

The power structure is "transregional;" on the one hand, the ruling classes, associated with the state, are not local; on the other, the dominated classes are "immature," they are "masses" rather than classes. This has caused the "politicization" of the economic and social struggles in the Northeast to be more immediate than in any other part of the country. The "immature" classes do not fit within the capitalist pattern. Hence, the confrontation with the state is almost direct: The struggle for better living conditions immediately assumes a political dimension. In the end, it is a matter of the issue of power and the issue of the state. That is the mystery of the Northeast.

[Note] Francisco de Oliveira is a senior researcher for CEBRAP [Brazilian Analysis and Planning Center]

Joao Paulo de Almeida Magalhaes:"There Is an Outlet: a War Economy and a Government of National Unity"

The last decade is clearly divided into two periods. The first one, from 1970 to 1973, was typified by a rapid growth in the GNP, extremely high rates of increase in exports, moderate inflation on a downward trend, and a small debt, both external and internal. The period 1974-79 was almost the exact opposite of the previous one. But let us place the 1970's in their proper historical context.

The 1950's represented the first decisive step in Brazilian development. Using its relatively large domestic market and the possibility of gathering large amounts of savings and hard currency existing only in countries with major economic dimensions, Brazil managed to modernize its economy substantially, starting to produce durable consumer goods and the most variegated types of capital goods. Yet that first takeoff was not sufficient. The market provided by the substitution of imports became rapidly depleted, and the 1960's were marked essentially by a battle against the limits placed on development by the market. In that context, the outburst of international exports which typified the second half of the 1960's was used skillfully by Brazil. In this way, the problem of the market was solved.

As a result, Brazil embarked upon the 1970's under extremely favorable conditions. If it had not been for the so-called "oil crisis" and the high rates of increment in the GNP, the rapid growth of exports and the moderate inflation rates typical of the first years would have continued throughout the entire decade. As a negative factor, it should be admitted that the resistance to our exports of manufactures could hardly have been avoided. In a

world with a rapidly expanding GNP, however, it would have been considerably less serious than is noted at present.

Nevertheless, the sharp and drastic rise in oil prices starting in 1974 precluded the happy prospects which were conceived during the early years.

A recession in the leading nations of the world's economy tended to spread throughout the entire world. In the Brazil of 1974-79, that transmission was made through a sizable decline in the rate of increment in exports. The government economists (see PND [National Development Plan] II) still thought that it would be possible to isolate the country from the international crisis, maintaining high growth rates.

I do not include myself among those who deemed it necessary to make a drastic reduction in the rate of growth of the GNP to decrease the inflationary and exchange pressures resulting from the hike in oil prices. But I think that, starting in 1974, a "war economy" should have been declared in Brazil, with a drastic reorientation of investments, aimed at: a. procuring hard currency for oil purchases; b. reducing the need for that product through alternate energy sources. The investments made for that purpose would not only make it possible to put the strangulation point that was threatening our economy under control, but would have an anti-recessive impact, allowing the GNP to rise at moderate rates, although they would be lower than those noted at the start of the decade. A policy of austerity for consumers would also have been necessary.

However, the government's option was not in that direction. Some measures were unquestionably adopted to correct the distortion introduced by oil. Essentially, therefore, the development model has maintained the previous structure, preventing the imposition of sacrifices on the population similar to those which are being accepted in other parts of the world. The result has been the accumulation of distortions, which has led the Brazilian economy to a chaotic situation at this end of the decade.

Since an attempt was made to impose a high growth rate on the GNP, under extremely unfavorable conditions, the government enterprises were used as spearheads. In order to fulfill the lofty goals assigned to them, they imported capital, inflating the exchange reserves and pressing prices upward. In order to accrue more savings, they launched forth on the capital market, vying with private firms for the few available funds. In the desire to make better use of their financial supplies, they imported goods which could have been purchased domestically. Their pressure also caused the government's financial institutions to disregard the monetary budget, increasing inflation; and so on. In an attempt to bring the inflationary pressures under control, the government increased the internal debt by issuing public securities. However, the latter, by artificially stimulating the "open market," increased the speed of circulation of money, and raised interest, renewing the inflationary thrust.

In the private business sector, we have a heavy debt, resulting from the extremely high interest rates and monetary correction. In order to amend this anomaly, the government subsidized loans; a measure which, extending to a growing number of sectors, has become a new, major inflationary factor.

To what extent did the 1979 "December package" correct this situation? In my opinion, it served to bring order to chaos, eliminating or reducing the countless remedial measures of the previous administrations. However, the path for emerging from the chaos is yet to be found.

In short, unless there are exceptionally favorable changes in the internal and international situation, the results of Brazil's development during the 1980's will continue to depend on the acceptance of a "war economy," with its basic political prerequisite, namely, a government of national unity.

[Note] Joao Paulo de Almeida Magalhaes is a regular professor at the UFRJ.

Joao Paulo dos Reis Velloso:"We Are Under a Falling Star, the Nation Depends on an Insane World"

The disorder in the world economy, faced with the oil situation, has proven the need for heroic decisions and structural changes, which can only be made over the medium term. Moreover, the unpredictability that prevails has posed problems even in making decisions on the immediate future, and more so for a span of years. Therein lies the problem: the need to act with a medium-term outlook, and the enormous difficulty in doing so, because of the nervous uncertainty that exists. But this is how we have to live, under that falling star which the end of the decade brought us.

Today, in retrospect, the 1970's, from an international standpoint, strike us chiefly as a time of transition: from an era of euphoria, growth, expansion of international trade, political detente, commercial ecumenism and rapid technological change to "stagflation," unemployment, advances and setbacks, political impacts and irrationality. Insofar as Brazil is concerned, the main concern is to find out to what extent the country was prepared for the new era. Oil was perhaps really the only highly vulnerable area in our economy. If the danger had come from any other realm, the adjustment would have been fast and not very complicated. In brief, as a positive aspect thus far, the pitfall of recession has been avoided, with both the Geisel government and the Figueiredo government opting for growth. Although it was impossible to avoid the major crisis of a worldwide scope, at least it was confronted by a treatment with less serious social cost.

Great progress was made in increasing experts. A program of basic input and capital goods was carried out, which made it possible to curb imports for several years, heading rapidly toward the elimination of the deficit in the trade balance. As we know, the idea of the basic input program was: Although

it is impossible to achieve self-sufficiency in oil over the short term, let us at least achieve self-sufficiency in all the other basic raw materials immediately. In addition to the effect on the trade balance, that temporary alternative also afforded an opportunity to gain time in the area of oil and energy. Unfortunately, at the end of the decade the situation deteriorated. On the one hand, madness occurred in the world, with the Iranian crisis. On the other hand, internally, drought reached the South-Central region, and inflation took off, for countless reasons. In another area, mainly during the Geisel administration, but without discontinuing under the present government, national enterprise became stronger, the issue of income distribution retained a high priority and there was an easing of political tensions. More recently, there has been an impetus for debureaucratization.

Who can discuss the nation's prospects, when they are heavily dependent on an insane world scenario, and when they are closely associated with the problems of OPEC's restraint and on the political stability of the Middle East? What we should seek is not having the additional complication of an actual oil shortage throughout the decade.

The fact is that, in the near future, real oil substitutes are still very limited. This is why the existence of PROALCOOL has international significance: it is one of the few programs for replacing by-products with a certain amount of quantitative implications. At the same time, the substitution of imports of basic input should be continued, at least avoiding massive purchases of iron and steel products, fertilizer and petrochemicals, among others, during a period wherein oil imports must represent over half of our exports.

There is an immediate need to eliminate the deficit in the trade balance. For this purpose, we must keep imports increasing more or less in the same proportion as the GNP (only oil is causing that increase now), and expand exports between 15 and 20 percent per year. That arithmetic is implacable.

Secondly, we must do something dramatic, and even heroic, in the area of energy, chiefly oil. There must be extremely flexible action where oil is concerned, aimed at the concern for self-sufficiency, or slight dependence. Even at high cost (because it is carried out in cruzeiros, and not dollars), a minimum shale program must be implemented. Moreover, PROALCOOL must have the dimensions capable of allowing for the total substitution of gasoline in transportation over the medium term. Programs for substituting diesel and fuel oil will have to be carried out.

As for inflation, it is obviously impossible to keep a market economy running well with high and increasing inflation, even with the protection from monetary correction. We must maintain a stringency capable of cutting the inflation rate, as quickly as possible, to levels of between 20 and 30 percent per year.

The crux of the matter is that no one knows the remedy for certain, because the disease (a worldwide one) could change its form rapidly. Quantitative

forecasts are useful, but they must be reviewed often. This does not mean underestimating the medium term. It was never so important, because, in fact, it is there that we shall find a solution, making major structural overhauling. The basic concern must be: balance of payments and oil. But, since life goes on, we must remember that the country is still poor, the distribution of income unjust and democracy relative. Even with the neurosis of the oil crisis, it will be necessary to maintain a certain amount of growth, at least at a rate capable of precluding an accumulation of unemployment, and to take very seriously the social and political issue which takes precedence over the specifically economic one in the realm of values.

[Note] Joao Paulo dos Reis Velloso is a former minister of planning and director of the Veplan-Residence group.

Paul Singer: "In 10 Years, a Move From Euphoria to Pessimism"

For the Brazilian economy, the 1970's ended on quite a different note from the one which marked their beginning. In 1970, the country was at the height of an ascending situation, with the product expanding at inprecedented rates and inflation on a slow but discernible decline. The external strangulation (a specter which frightened the economy of both Brazil and the majority of other countries on the continent from the 1930 crisis until the middle of the preceding decade) appeared to have simply disappeared. The fast expansion of exports, particularly of industrial products, provided sufficient income for covering the expenses from imports of goods and services. Furthermore, the influx of foreign capital covered the service on the foreign debt, and left a positive balance in the balance of payments.

In 1980, the economy appears in a completely different light: dubious growth rates, increasingly rapid inflation and an almost chronic crisis in the balance of payments, resulting in the accumulation of a foreign debt which has reached overwhelming dimensions. Thus, throughout the decade that has ended, we have moved from a state of euphoria to a different one of deep pessimism.

The progress of the Brazilian economy during this decade could be summarized in that move, but it would be too superficial an assessment. It stems from a very peculiar viewpoint, namely, that of judging the performance of the economy from the standpoint of the behavior of certain adjuncts, such as the GNP, and certain indexes, such as that of prices, or the amount of the balance of payments. It is a viewpoint that is used as a criterion for the desirability of "growth with stability." This criterion, which in fact reflects the priorities of the governing technocracy, has in many instances been assumed with naivete by the news media too, and through them, by public opinion.

The bias in this criterion becomes evident when one notes that, during the ascending phase of the current cycle (which our self-fascination christened the "Brazilian miracle"), the distribution of income became more regressive

(at least until 1972), with its results benefiting chiefly the richest 10 percent in the nation. During that period, the employment opportunities for the remaining 90 percent multiplied, but the minimum wage was devalued in real terms (especially during 1972-74, owing to the government's underestimation of the increase in the cost of living); and the collective wage hikes were decided upon in a centralized manner, almost always failing to include the considerable gains in productivity achieved at the time. While wages rose, on the average, more than inflation, in spite of this, it was due to the greater increase in pay for the management personnel and the more skilled workers, and to the increased amount of overtime worked by the less skilled ones.

In addition, during that period of uncurbed growth, there was an increased expropriation of the small farmers by big rural enterprise, especially in the pioneer areas of agricultural expansion.

Starting in 1974, the situation began to change. On the one hand, the emergence of many strangulation points, exacerbated by the so-called "oil crisis," resulted in a reversal of conditions. On the other hand, however, the opposition's electoral victory in 1974 and, more generally speaking, the obvious increase in opposition sentiments in the country, caused changes to be made in the economic, social and institutional policy, by virtue of which the conditions of unequality ceased to be exacerbated.

The available data indicate that, between 1972 and 1976, the distribution of income became a little less concentrated; although, in the latter year, it was still more unequally distributed than in 1970. The most significant changes occurred, to be sure, in the final years of the decade, particularly after 1978, when the workers began making use of the strike, without being completely restrained by police repression, in several capitals.

These observations at least make it possible to indicate distinctions in the pessimism with which the prospects of the Brazilian economy are viewed on the threshold of the 1980's. Without doubt, the burden of the foreign debt and the pressure from the increase in oil prices are obstacles to our development, compounded by the relative slowness with which the programs for substituting imports are being executed. Furthermore, the government's greater vulnerability to the many and conflicting pressures from the social classes has resulted in a galloping inflation, which threatens to wipe out the improvement in real wages recently achieved by the workers.

It is likely that, if the government does not succeed in recovering a minimal degree of control over public, mixed and private capital, so as to curb the rise in prices and discipline the use of foreign hard currency, a recession will be caused. Then, the failure of many medium and small business firms will be accompanied by an increase in unemployment, worsening the living conditions of the vast mass of workers which constitutes the majority of the populace. Nevertheless, if there is no retrogression in the process

of openness, the workers may battle against having the major burden of the recession fall on them; something which might afford an opportunity for its curtailment, because the maintenance of the demand for consumer goods could limit the decline in the rate of activity.

[Note] Paul Singer is coordinator of the Economics Department at the PUC [Pontifical Catholic University] and director of CEBRAP.

Roberto Campos: "The Psychoses of Danger Which Could Benefit Brazil"

At the end of the 1970's the indications seemed depressive. The anticipated rise in oil prices heralded reactions in the industrialized countries similar to those of the 1974-75 crisis: first, an inflationary effect on costs; then a deflationary effect due to the action of recessive policies to correct the imbalance in payments. Only there was a fortunate difference: the awareness that it would be dangerous to synchronize recessions. Hence, Japan started to accept a deficit position, and Germany headed in the same direction; affording the United States a reduction in its deficits, by means of a "recycling of imbalances."

Recent political factors have altered the scenario. The Iranian crisis has dramatized for the United States its vulnerability with respect to oil supplies from the Gulf and, in conjunction with this, lent new urgency to the acceleration of investments in alternative forms of energy. The crisis in Afghanistan, on the other hand, has virtually put an end to the phase of military detente. The West and Japan will be forced to intensify energy investments and arms expenditures. The latter will bring several negative effects and one positive one. The negative effects will be the still greater reduction in supplies of foreign aid; the continuation, and even intensification of worldwide inflationary pressures; and the rise in prices of strategic materials on the international market. The positive effect will be an economic reactivation which will reduce unemployment, although in the worst possible way: by intensifying the waste associated with weapons. The reactivation should come, rather, from more constructive participation: investments in the social infrastructure, pollution control, investments in underdeveloped countries, etc.

Brazil's position is a complex one. Since inflation has now exceeded our limit, which is, moreover, overly complacent, of social and psychological tolerance, there is no way for us to reduce the priority of the battle against inflation, nor the priority of investment in alternate forms of energy, even at high cost. Fortunately, we do not have major responsibilities in the world's security system, nor is the continent directly threatened. On the one hand, this excuses us from an onerous arms effort; but, on the other, it affords us prospects for developing exports of weaponry now being produced in the country on an appreciable scale. To be a "gun merchant" is unquestionably an ethically repugnant job, but one that is profitable from the standpoint of exchange.

The two fundamental challenges for Brazil in 1980 will still be curbing inflation and preserving the viability of exchange. In the first respect, it befits us not to abuse two alluring palliatives: prolonging the monetary correction (which would discourage savings) and generalizing price controls (which would cause distortions over the short term, and would reduce the supply over the medium term). The concern over the symptoms must not replace the treatment of the causes.

The OPEC surpluses will insure ample funds for recycling dollars. But the liquidity could become sticky as a result of the "hoarding of metals" and the "relocation of channels." The former, because of the psychosis of danger in the international situation; and the latter, in view of the reorientation of OPEC's balances (after the blocking of Iranian funds) toward European banks, which are less experienced than the American ones in recycling to the Third World.

Those very psychoses could benefit Brazil, as a haven for investments, far removed from the epicenters of danger. But this depends on our degree of success in combating inflation, on the prospects for political stability and on our not retrogressing toward a xenophobic, introverted model.

[Note] Roberto Campos is the Brazilian ambassador in London.

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PRESIDENT CARAZO'S PRESS STAND SCORED

San Jose LA NACION in Spanish 20 Mar 80 p 14A

[Editorial: "President Carazo's Freedom of the Press"]

[Text] President Carazo did not take advantage of the opportunity offered him by the hemispheric press forum to address a message to the collective communications media represented there on that occasion, nor to examine freedom of the press in a world which is putting an end to it as if it were the world's worst enemy. Instead, he engaged in a bitter tirade, which was purely domestic in scope, against the national press sector and in general against all the country's communications media. In a nutshell, in his speech the president of Costa Rica embarked on a generalized, acerbic censure, with veiled accusations, concealed allusions and inaccurate examples, against the communications media and the newsmen of his own country, the country which is at present the site of the biannual meeting of editors of the IAPA, and which is one of the few countries where there is a free and responsible press.

That presidential speech was not what all of us were expecting, not in substance and not in style. Not in substance because President Carazo concerned himself almost exclusively, with marked sarcasm, with Costa Rican freedom of the press, which he described as freedom to libel, lie, destroy and defame. Not in style because the tone of the speech was strident and filled with bitterness against newsmen and the national communications media, giving the impression to guests and foreign observers that the president of the republic and high government officials not only do not have access to newspaper pages, radio and television, but are also the defenseless victims of their false reports, of their negative or destructive criticisms and of their yellow journalism.

Those embarrassed visitors would have had to remain in the country only a few days to realize the distance existing between the reality which the president presented to them last Tuesday morning and the true reality in which Costa Ricans are living as regards the press and communications media.

It is difficult to pass over a speech by the president of the republic, who took advantage of such an exceptional situation to denigrate the press and communications media of the country by means of a twisted dialectical exercise.

President Carazo wrote his speech with the full intention of giving free rein to his personal and subjective resentments. However, he should have waited until a more discreet and appropriate opportunity presented itself other than that of a meeting of such universal scope as the one now being held in the country. His speech was ungracious and out of place.

However, that is not the only thing which left us perplexed with regard to the words and ideas of Carazo Odio. Even more revealing was the manner in which he expressed himself in elliptical terms and turns of phrase, on the basis of implicit ideas and concepts, concerning his ideal of freedom of the press. Throughout his speech, President Carazo devoted himself to the exaltation of the freedom of the press existing in the country, with a view to caricaturing, disfiguring and ridiculing it with manifest deliberateness, through the method of reduction ad absurdum. Every part of his speech illustrates what we have just said; however, we will only transcribe what best reveals the essence of his thinking. Carazo Odio said: "There is considerable freedom of the press in Costa Rica; it is so broad, so open, so absolute, that anything can be said here, even if it is not true. Every day, every hour the proof is evident; the reality, and truth is that there is an open possibility in Costa Rica to publish even lies. There are also people who think that power to exercise freedom of the press means having the opportunity to lie, libel, deceive and invent."

"There is so much freedom of the press in Costa Rica that 1 year ago, for almost 1 month, from 7 March to 5 April 1979, the communications media kept alive, in action, in an uninterrupted manner, and changing the story from top to bottom, a 'strike' which did not exist. While the media spoke of the strike and described it with baseless details, the enterprise--in a paid announcement of course--protested and said by way of information that there was not nor had there been a strike at its plant or agricultural fields."

One does not have to concentrate too hard to discern the entire political philosophy on the press which has been condensed in these comments by President Carazo. If freedom of the press in Costa Rica has fallen to the reprehensible level which President Carazo describes with so much aplomb and ease, the conclusion is that this freedom of the press should be regimented by means of suitable legislation so that the exercise of such freedom will be as the president feels and thinks it should be. If the press did not echo the official statement that there had been no strike on the plantations and in the fields of the CATSA [Tempisque Sugar Mill Company] it is because it is a bad press which is abusing the freedom existing in the country. If the press had submitted to the official version, it would have them reported constructively. This is the philosophy of freedom of the press which resounds in President Carazo Odio's speech. However, the fact of the matter is that the CATSA strike was a partial one and affected the cane-cutting activities and that this was what the press and the other information media reported to the disgust and annoyance of the president who, apparently, is intolerant of reports which are not in line with his wishes or his peculiar view of national realities.

In another part of his speech, the president is more explicit on the subject of his intimate convictions. "We are opposed," he said, "to the use and abuse of freedom of the press which promotes lies, morbidity, fallacies and is at the service of economic, political and social interests, since such freedom of the press--we all know this and feel it--is not freedom but rather a monopoly, the privilege of a few."

Here President Carazo makes common cause with the known detractor of the press which the radical groups call the "middle class." Because of this, his whole speech was devoted not to freedom of the press but rather to the excesses, abuse or distortion of freedom of the press into which he supposes we have fallen. It was not oriented toward the struggle to minds in the hemisphere so that more and more countries will have a free press but rather toward pointing out the horrors to which this free press could lead. The speech did not propose to extol the role which freedom of information and opinion play in every democracy but rather the destructive effects that such freedom produces in countries which are as free and democratic as our own.

President Carazo has had problems with the press since he took office. When he was merely a candidate for the presidency of the republic, his relations with and ideas about the press were harmonious. Not only news reports but also the daily commentaries of the newspapers seemed to him constructive and truthful at that time. However, as soon as he took control of the government, his views changed when he felt that the press was not conforming to his wishes and ideas. The problems President Carazo has in understanding the independent role of the press and in seeing it as an instrument beyond the official line which, as such, might not share this line, have become increasingly acute as his administration goes along and becomes more difficult. His view of freedom of the press is not that which we Costa Ricans have enjoyed up to now. It is a standard view such as his which in a great majority of Latin American countries, from Cuba to Chile, has put an end to freedom of the press. However, thank God, this is not possible; and we Costa Ricans will continue to enjoy a freedom of the press which has played a prominent and at times decisive role in the development and progress of our democratic institutions and which is daily more responsible, more professional and more open to all sectors and to all persons.

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ARCHBISHOP ARRIETA DISCUSSES CHURCH ROLE

San Jose LA NACION in Spanish 13 Mar 80 pp 8A, 10A

["Text" of speech by Msgr Roman Arrieta Villalobos, archbishop of San Jose, at a Christian Friendship luncheon on 6 March]

[Text] In speaking to those present at the Christian Friendship luncheon on Saturday, 6 March, the Archbishop of San Jose, Monseigneur Roman Arrieta Villalobos, discussed various important points in the real national situation.

The text of his address follows.

A Democratic Man

"If you ask me how I define myself, I would answer immediately, with a personal conviction that nothing and no one will ever succeed in changing, that in my heart I feel as a democrat. I firmly believe in democracy as the best system man has been able to find to guide his destiny, to carry out his mission of service among men. Shortcomings in democracy could be pointed out and quite rightly, because as a human work it is and always will be perfectible. Only God has infinite holiness and wisdom, but to date no better system has been found within which the peoples can proceed.

"The only way in which I could change my democratic faith would be if a better system were found, for as a Christian I am profoundly interested in man and his integral material and spiritual advancement, as Pope Paul VI, of sainted memory, reminded us in his encyclical on the progress of the peoples. Thus you are informed that any action we may carry out from the sphere of the Church will always be inspired by our profound faith in democracy, and in a very direct fashion in our Costa Rican democracy, making every effort and contributing to all undertakings representing the further perfection of it."

A Christian Man

"In the realm of faith I regard myself as a Christian man. Thanks to God, I have a sainted mother who, holding me in her lap in the first years of my infancy, taught me to adore God, to love Christ and to have profound veneration for his blessed mother, the Most Holy Virgin Mary, to see in each and

every one of my brothers, without social, economic, political, cultural or any other kind of distinction, the Christ who crossed the path of my life so that I, loving Christ in that man, could give my life, could sacrifice myself, spend and use myself following the example of Paul to serve him, to aid him, particularly if he is in a state of prostration.

"I have deemed it necessary to define who I am as a person once and for all, since, regrettably, very frequently our words and actions in an effort to keep Costa Rica in that atmosphere of peace, democracy, justice and freedom in which we want to live are wrongly interpreted, such that it is necessary for us to make this statement publicly.

"This does not surprise me, for this also happened to a man for whom I have profound veneration, one of my predecessors in the Archbishopric--Monsiegneur Victor Sanabria Martinez.

"Knowing him as I did, hearing him as I did, reading him as I did and continue to do, I am most convinced that the peace and freedom in which we live today is the heritage left to us by this great archbishop who in his time was refused entry into a Central American country because he was called the red bishop of Central America. That great democrat, Monseigneur Sanabria, that great credit to our fatherland, Monseigneur Sanabria, was accused of being the red bishop of Central America. Today, finally, we are hearing Monseigneur Sanabria. Today, finally, we are understanding that he was a visionary. Today, finally, we truly understand what his strategy was in order to succeed, in the light of Christ, in leaving us as a legacy, at the time of his most heartfelt death, to all of us, this free fatherland, this Christian fatherland, this democratic and peaceful fatherland in which we live and in which we Costa Ricans want to continue to live.

"I speak to you in all simplicity, in all humility I will say to you what I honestly think about the historic situation we are experiencing here in Costa Rica, although in many respects I may be wrong. But let no one interpret my words as if I were speaking as a politician, an economist or a sociologist. No. I am a pastor and as such I must be the source of unity and communion since I have been appointed to a higher level, in the sense that it stands above these other levels of politics, economics, sociology, culture, etc. And it is thus that I would like my words to be taken, words said by a Costa Rican who in pronouncing them has no interest other than offering a simple and humble contribution, so that we can respond in the light of Christ to the complex problems of our country at this time and looking toward the future. This is the only thing of interest to me. Nothing else can interest me and you will understand this perfectly because I am a bishop, I am a pastor, and this is my great task, my great responsibility."

The Concern of the Church

"I will begin by saying why the Church is concerned for man. It is concerned because it sees in him, from the viewpoint of faith, the image and

likeness of God. It is in the book of Genesis that we read these words of the Lord: 'We have made man in our image and likeness.' These words of the Lord in themselves explain the concern of the Church with man. The Church, unlike those who have no faith, sees the Lord, sees Christ, in man, in every man, and for this reason regards any offense against man as an offense against God, any slap in the face to man as a slap in the face of God.

"The Church is concerned and has always been concerned with man because it knows the words of Christ in the gospel of St Matthew: 'I was hungry and you gave me to eat; I was thirsty and you gave me to drink; I was naked and you clothed me; I was in prison and you visited me.' And they asked: 'Lord, when did we see you thus and aid you?' And his response was not long in coming: 'Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.' Everything the Church does for man it does because it sees in that man, above all in the man who is naked, orphaned, poor, imprisoned or homeless the Christ who crosses his path, not to look with indifference but to give him love, to offer him his charity.

"We are concerned with man because we are perfectly familiar with the words of John in his first letter, in which he asks us how we can say of one who has the things of this world and, seeing his neighbor in need, closes his heart to him, has the love of God in him? And John goes on to say: 'My children, let us not love with words and the tongue, but with deeds and the truth.'"

Commission and Omission

"When preparations were being made for the Third General Conference of the Latin American Episcopate held in Puebla last year, the Brasilian episcopate expressed a thought which impressed me enormously. The bishops of Brazil said that there are many profoundly religious but un-Christian people in Latin America. Why? Because they imagine that going to mass every Sunday and taking communion often is being a Christian. But here one must recall the words of Christ. It is necessary to do the one without omitting the other. The true Christian must go to mass and love God, and naturally, partake of his body and blood. But it does not end there. This is the religious aspect. There still remains the Christian aspect which means loving, always loving, because the fulness of the law is love. This is clearly stated in the scriptures, but a living, working love, a love which is reflected in deeds and in truth and not merely in words, as St John says. It is there that the drama of our Latin American peoples begins. When the bishop, when the Church says to the Christian, on baptizing him: 'You must simply adapt yourself to being a religious man, you must take a step forward, the most important of all, from being a religious man to being a Christian, loving, but loving to the final consequences, as Christ loved when he gave his life for mankind on the wooden cross'--then the protests of many begin.

"The Church loves man because it also knows the parable of the good Samaritan. The Church knows that there, at the edge of the road, there are many Samaritans, injured by all kinds of misfortunes, illnesses, deprivation, neglect and exploitation and, regrettably, to date there have not been many who imitated the Jew, the ancestral enemy of the Samaritan, who on seeing him, dismounted hastily, cleaned his wounds, took him to a shelter and asked that this enemy be cared for until he was entirely recovered. How many of us Christians, sorrowfully, pass by as the Levite did, as the priest did, near that injured Samaritan, leaving him and going on our way in the coldest indifference. Again we are faced with the case of the religious but un-Christian man.

"The Church tells us too that nothing of concern to man is outside its scope. Some will say why should the Archbishop interfere in this or that? The reason is this: because nothing of concern to man is alien to the interests of the Church. We in the Church are like Moses and the leaders of the people of Israel in leading man to the desert of life, but it is not to leave him in the desert to be burned by the sun, but to take him beyond the desert to the blessed and promised land of Goshen. But our faith in the outcome in no way means we will abandon man while he makes his pilgrimage toward the heavenly Father through life. It is our duty to aid him and accompany him on this journey, which was clearly confirmed by the Second Ecumenical Vatican Council which stated: 'The joys and the hopes, the sorrows and the anguish of the men of our time, particularly the poor and the suffering, are the joys and hopes, sorrows and anguish of the disciples of Christ.' It is for this reason that, faithful to the word of God and to the teachings of the Church, we are concerned and will be concerned, are seeking anxiously and will seek anxiously to be truly a support, a sustenance, a consolation, an inspiration to man, above all, as we have said, the most needy.

"This is the explanation for the fact that in his day, Monseigneur Sanabria gave such marvelous pastoral instructions which have meant so much in keeping Costa Rica as we want to keep it, and, if possible, to improve it. This also explains why the Costa Rican episcopate recently published its pastoral letter on 'Evangelization and the Social Reality in Costa Rica.' I would like all of you to study, to analyze this letter, for it seems to me that it can help a great deal in these times which our fatherland is experiencing in making decisions which will safeguard these values of our country, those which make of it a fatherland which is the object of pious envy within the concert of nations in Latin America and the whole world in general."

The Social Gap

"Seeing the reality in my country, which I know well, I believe that you and we must devote great concern to such aspects as the following.

In my view, closing this gap between the rich and the poor is basic to saving Costa Rican democracy, to preventing any type of extremism, be it of the right or of the left, from serving to damage, to drive a mortal stake into the heart of this fatherland which we love so much. When I travel through my country, I see that there are two Costa Ricas. This Costa Rica in the central valley where thanks to the state and its institutions all kinds of services have been provided, and the Costa Rica over there, in Santa Cecilia de la Cruz, for example, where in the single little stream that runs through the village the people must wash the clothing of the children and the adults and their foodstuffs, in those same waters in which men and hogs must bathe. And we could say the same of Cunjiniquil, Puerto Soley and so many other corners of our Costa Rica, which, because they are so remote, we sometimes even forget that they exist. There is a need for the government and its institutions to direct their massive aid toward this other neglected Costa Rica.

"Year after year, when I hear the deputies debating the national budget, I feel a very deep anguish, and the fact is, if you will pardon the expression, I feel that those with the biggest gullets get the most grain. And this happens because the individuals who have influence approach the deputies, set forth to them their "needs" in such a moving and impressive fashion that they end up with a very substantial slice of the national budget. And meanwhile that other Costa Rica continues to go without roads, drinking water, food centers, electrification and so many other services to which they have as much right as we because they are our brothers and they are Costa Ricans like us.

"I believe that if we want to keep this fatherland of ours as we have known and inherited it, we must devote concern to the rural sector, we must raise this neglected population to a level if not as worthy and as high as that of the central valley, which would be the ideal and only just, at least to provide these people with a worthy standard of living, since I am absolutely persuaded that the most effective means of combating any type of extremism is not by denunciation or condemnation, nor excommunication, since what we do by these means very often is to encourage this type of thing. It is by works and with truth, as St John says, that these types of extremism are combated. I am speaking specifically of communism. What is the best means of combating it? By heaping it with criticism and curses? No, gentlemen, it is by depriving communism of its weapons, which is precisely what Monseigneur Sanabria did and what I wish all of us Costa Ricans would do--to remove their weapons from the communists. The Christians in my fatherland should meet the needs of their brothers, since not to meet them is an injustice and the sin of indifference. If we truly promote our brothers as Paul VI asked us to do, there will be no need to speak of communism, since a country in which man has dignity is a country in which the communists have nothing to do. But a country in which there is social injustice, a country in which man is not provided with what God demands be be given because it is his right, a country in which the man who lives in

Santa Cecilia is treated differently from the man who lives in Los Yoses --this will be a country which will sooner or later be likely to suffer serious social disturbances which no reasonable person can want."

Justice and Encouragement

"I have said this before and I would like the men in the government to learn it by heart as well. We should never consider who is asking but what is being asked. For if what is being asked is just, be the petitioner a Costa Rican, a communist or a devout believer, it must be given, since justice is not the prerogative of the communists, nor the capitalists, nor the democrats. Justice belongs to God and therefore when we do justice to a man, whoever he may be, we are glorifying God and bringing to our fatherland his support and his blessing. On the other hand, when we act injustly, we are sinning against God and provoking his wrath.

"There is another point I would like to discuss with you on this occasion. You see, when I look at, when I contemplate the reality of Costa Rica I see that almost the only natural resource available to us is our land, and that we will continue to depend on agriculture as the main source for our development and for our progress in all sectors of life. This question then occurs to me. How is it that the government, any government, can fail to understand that if the land is our only resource, it is necessary to provide profound and continuing encouragement to the man who loves it and works it? For if we do not encourage him, we are cutting off the life's blood of Costa Rican development. But what is it that is happening? Currently the agricultural sector in our country is passing through a serious crisis and I have tried to explain to myself what the cause of this crisis is, why is it that we have no butter, no potatoes, no beans or many other articles, when the fact is that God has blessed us with such a fertile and generous land. What then is the reason? And I see two situations conspiring against our agricultural sector.

"First of all, there are the very high rates now being asked for the loans of money allocated to agriculture. I am the son of a mother who is a farmer, and therefore I understand the drama which our farmers are experiencing. We have the little farmer who has no money and who goes to the bank. The interest at which it is offered is prohibitive, and in addition he is told that the interest rate can be increased periodically. To this are added the risks which must be taken into account of insect plagues, drought, floods and a thousand other things. The farmer makes his calculation and reaches the conclusion that under such conditions he cannot plant. As a result many fields have been left fallow and that is the reason for the shortage of basic goods which we are experiencing today.

"I also say moreover, something for which some will certainly want me excommunicated, but I say it because I believe it. I firmly believe that credit for agriculture should be subsidized. I cannot in any way accept that money is worth the same when it is a loan to a peasant so that he can

plant a hectare of beans as when it goes to a gentleman in the city so that he can purchase a Mercedes Benz. Definitely this cannot be the case, for when a peasant cultivates a hectare of beans he is producing it for my fatherland, he is giving work to other peasants in my fatherland, and when he produces not only to meet our needs but also for export, he is earning foreign exchange which we greatly need. And what are all these things? Benefits in every sense for the country, improvement in the balance of payments, food for our beloved people."

Luxury Consumption

"He on the other hand who buys a Mercedes Benz is doing something else. Instead of giving the economy new blood, he is bleeding it of the thousands of dollars the car costs, which leave the country and if they provide work, provide it for the Germans or the Japanese, but not for Costa Ricans. This consumption of luxury goods thus becomes a bleeding of the national economy.

"Therefore I believe that money should not have the same price for different things, but that money for production should have the incentive of a subsidy and money for consumption should bear the penalty of high interest. This is my way of thinking and I state it in all frankness.

"The other conspiracy against agriculture lies, in my view, in the very attractive interest now being offered those who deposit money in the bank. If the poor farmer weakens agriculture because he cannot pay the high interest asked by the banks for farm loans, the rich farmer is also weakening it, because instead of taking the risk of investing his money in farm activities, he prefers to place it in the bank at the high interest rates now being offered. And so, for the one reason or the other, ever more fields are being left fallow and as a result there is a shortage of beans, oil, potatoes and so many other articles which our very fertile land can well produce. It is necessary to devote serious attention to this problem or we place the social peace of the country in jeopardy."

Producer, Middleman and Consumer

"The government must devote great attention to the relations among these persons. I defend the right of the middleman to obtain a just and legitimate profit. He renders a great service to the country and we cannot expect him to do so for no profit. But what is happening currently? In my judgment, it is that the middlemen are committing a serious abuse. One day recently I asked my mother how much she was getting per quintal of onions. She told me that nowadays they are only paying 80 colones. But you go to the market and you find that the consumer must pay that much again for each item. This is not just, and because it is not, I denounce it. Serious study as to how to correct this situation is necessary, so that the middlemen, I repeat, will have a fair profit but so that what is currently being abusively collected will be distributed, proportionally if you wish, between the suffering producer, such as to pay him a more just price for his harvest,

and the consumer, selling to him what he consumes at a lower price. I am persuaded that social peace in Costa Rica now depends to a great extent on establishing a just relation among these three levels--the producer, the middleman and the consumer."

Private Property

"I firmly believe in the private ownership system, but precisely because I believe in it, I am deeply concerned about certain situations occurring in the Costa Rican rural sector and conspiring against private ownership. One of these situations is the concentration of land in a few hands, since as land is not an inexhaustible resource, when just a few hold much of the land, they are in fact forced to neglect the fact that the Church, which defends the right of private ownership, also teaches that it must serve a social function, and as John Paul II said in Mexico: 'There is a social mortgage on all private property.' It is not a question of taking anything away from anyone, but rather of awareness by the religious man that he must be a Christian above all and be willing to sell the land he has in excess at a just price, in order to give an opportunity to men with true love of the land so that they too may become owners and have a plot on which to produce for themselves and their children. It would be very difficult, I would say impossible, for a country with many owners ever to extoll the so-called dictatorship of the proletariat.

"There is another aspect to which special concern must be devoted. There is something here which does not seem to be functioning properly. If it depended upon me, I would make an unprecedented effort to keep the price of fuels as low as possible. Here the policy of service strictly at cost would be applied. Why? Because just as the Latin saying was that the mind moves the masses, energy sources can be compared to the famous Archimedes screw capable of moving the world. When we come to the category of fuels it is perhaps the most sensitive point in the economy of a country, and the economy of the world, since it provokes a chain reaction. As soon as the price of fuel is increased everything goes up, and that an inflationary process is unleashed is the logical consequence. Therefore, it is of enormous concern that, as the press has reported, the prices of fuels in Costa Rica are the highest in all of Latin America. We have no doubt that with this other important services are being subsidized, but it seems to us that granting subsidies at the cost of high fuel prices is not the best path for the reasons mentioned above.

"I believe firmly in solidarity faithful to its original inspiration. I sometimes hear solidarity denounced and then I say what Don Quixote said to Sancho Panza: 'Sancho, if they bark it is because we are on horseback.' If by means of harmonious relations between employers and workers, we can ensure that the latter have a worthy standard of living and realize themselves fully as men, why will we have to have recourse to strikes, or struggles, or clashes? In the final analysis the important thing is--and I insist on this--that the problems of the workers be efficiently and

satisfactorily resolved. For if solidarity resolves these problems, perhaps with even greater advantages than other workers can achieve through a costly and painful strike, we would be foolish to deny that the farmer is by far superior to the latter. The Church cannot but encourage, defend and bless everything which means improvement for man within the framework of harmony, friendship and social peace."

Trade Unions and Labor

"But the Church defends the right to unionize as well. Why? Because for thousands of years something which is called original sin has regrettably continued to exist, and as a consequence of this sin, men very often resist the resolution of the problems of the workers and the just improvement of their situation through the channels of peace, harmony, understanding and cooperation. When this happens, it will be necessary to seek, in trade union organization, a tool with which the workers can defend their legitimate rights. It would be a very great injustice if the Church were to recognize, as it does, the right of the owners' sector to organize in chambers for the defense of what they regard as their legitimate rights, while denying this same right to the workers where their rights are concerned. I do indeed believe that in Costa Rica there is great need for a better definition of the true nature and goals of the trade union movement, in order to avoid the distortion of an institution which in and of itself is legitimate, and thanks to which the workers throughout the entire world have won recognition of the rights which are theirs because they are children of God and the brothers of other men.

"I will conclude by saying that it would be of great interest to contemplate a revision of the labor code. There is a whole series of articles, and not just a few, which needs modernization. There are new situations or new backgrounds which prevail and which should be taken into account in making such a revision. If this is not done, the labor code will prove an ever less effective tool for dealing with the labor problems of the country and finding speedy and efficient solutions to the clashes which inevitably develop in this sector of such importance to our national life.

I state in all honesty what I think about the various problems in the real Costa Rican situation which concern me. I reiterate my initial statement that in so doing I am motivated by only one thing--the fervent desire of a Costa Rican Christian for us, together and as brothers, and in the light of God, to seek solutions which will guarantee the preservation and strengthening of democracy, peace, harmony and freedom in our beloved Costa Rica."

5157
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PLN'S SOLEY DISCUSSES PARTY POLITICS

San Jose LA REPUBLICA in Spanish 19 Mar 80 p 4

[Interview with PLN member Elias Soley, by Nora de Martin: "Castillo Represents the Ideals of Liberation"]

[Text] Continuing with political interviews, we offer the thinking of a prominent iberationist, Elias Soley, who supports Carlos M. Castillo in his fight for participating in the 1982 elections.

[Question] What does the Castillo movement represent within the National Liberation Party [PLN]?

[Answer] National Liberation appeared in Costa Rican life as a political movement for recovering democratic principles which at that historical moment, and for reasons which have no bearing now, were being systematically violated. We were born in the political history of the country to defend the right of every Costa Rican to think and speak freely, to defend the right of every human being to differ, to disagree, to be free.

In view of this undeniable historical truth, it is imperative that National Liberation, as long as it wants to continue being faithful to its origins, as long as it wants to continue being the redeeming and progressive force it has been and continues to be, always be a high democratic platform in which the right to disagree and freely express the dissenting thought is respected and even encouraged.

Thus it is that to lay, Carlos Manuel Castillo--in keeping with our historic line--represents a dissenting position within the National Liberation Party and offers an extremely valuable option because he conciliates the democratic ideals which gave birth to our party from the perspective of a true statesman, who in the world of today seeks, and is capable of finding, new solutions for problems which are also new. He understands and encourages the hopes for progress and social justice our people long for and he sees with complete clarity the urgent need for Costa Rica to reach high levels of development so that it may always maintain itself among the most civilized and progressive nations of the world because of its respect for man and his freedom and for the material and cultural advance of its people.

[Question] National Liberation being a party with a tradition, organized, permanent and with a single program, do you not believe that one candidate is the same as another as long as he abides by that program?

[Answer] You are absolutely right that National Liberation is a party with a tradition, organized and permanent and with a single program. For myself, I want to add that our party has a common ideological base, expressed in its charter. But it is necessary to explain that one cannot speak of a single program or of a permanent program. Programs in political parties such as ours are prepared with the participation of all sectors and for a certain period in history. Don Daniel Oduber, for example, arrived at the presidency of the nation inspired by National Liberation Party ideological thought but with his own government program in whose preparation and subsequent execution Dr Carlos Manuel Castillo certainly had a very important part. To delve further into the subject, I personally believe that perhaps one of our shortcomings in the last electoral campaign we lost was the lack of a clear and specific program because what passed for such was more a document filled with very general hopes, which circulated extemporaneously and in a restricted manner. In other words, for the next National Liberation Party government of 1982, our party has to prepare a new program which considers the present circumstances and the needs of the country until the end of the century, a program which broadly considers the opinions of the various sectors of the National Liberation Party as much as possible and which undoubtedly bears the personal seal of whoever our candidate will be. It is known that it is not the program or the ideal contained in it that insures good government; this is always the work of men and that work will only be as good as they are.

[Question] Do you believe that the faction of Dr Castillo will win in the National Liberation Party Convention?

[Answer] The answer is yes. I say it without unfounded expectations of victory, without arrogance, and with all respect for the colleagues who believe in the victory of the other faction. For the National Liberation Party and for Costa Ricans in general, we are before a process we must face in a serious and responsible manner. It is not a cockfight or a lottery. The fate of the party and particularly the fate of the country are in play.

We are fully aware that according to the convention plan approved via a reform of the party statutes last January, the approximately 6,000 National Liberation Party members who will vote on 27 April this year have the enormous responsibility of gathering and expressing the opinion and hopes at the polls of more than half a million citizens who are now National Liberation Party members also. That high proportion of Costa Rican voters love their country and they suffer the same serious crisis it is undergoing at this time, a reason which demands that the National

Liberation Party return to the government so that it can once more head it in the proper direction. For the same reason, that enormous number of Costa Ricans do not accept running any risk and they demand a candidate who is an undeniable winning card, a characteristic fully represented by Carlos Manuel Castillo.

In politics, more than in any other field, decisions of this scope must be made nationally and objectively, trying to have the selection fall upon the person who best represents the hopes and interests of the majority of the people. The delegates to the convention, in other words, cannot and must not ignore the popular clamor, and as a result, the majority of them should opt for the faction of Dr Castillo.

[Question] Would the Castillo faction be prepared to seek the unity of the party in case it wins at the convention, offering important positions to the other faction?

[Answer] The unity of the party is in no danger. Specifically, our colleague Carlos Manuel Castillo, who respects the right to dissent as much as any one, has been clear in saying that once nominated as candidate to the presidency of the republic he will share honors and responsibilities with all the National Liberation Party members without distinctions of any type.

Faithful as we are to the best Democratic Liberationist tradition, not only have we not participated in, but have rejected, trafficking in positions of every type. We agree completely with the spirit which inspired the plenary assembly of the party when it ordered that once the Convention was held there would be initiated a process of reorganization of party structures, beginning with the district organization and reaching the highest levels of political leadership. From this process would emerge, regardless of the factions, which by then will be nothing more than another chapter in our history of internal democratic practices, the leaders who will hold the representative and appointed positions in the Executive Branch in the next National Liberation Party Government. In that way we shall arrive at the 1982 national elections with the best of the best of the National Liberation Party, due to which we shall guarantee for ourselves an unobjectionable victory, as the country and the national situation demand today, which will allow us to obtain a broad majority so that we may govern properly. In addition to giving the new president a clear mandate, that majority will be clearly reflected in the makeup of the Legislative Assembly and in all the municipalities of the country.

[Question] Why do the Castillo supporters not support Monge and why do the Monge supporters not support Castillo?

[Answer] I can tell you why I support Castillo and why the prenomination campaign of our colleague Carlos Manuel Castillo has managed to arouse so much enthusiasm and support in all the sectors of the National Liberation Party.

Besides what has been said in answers to previous questions, we can say that Carlos Manuel Castillo is a man of undeniable talent, vigor, vast experience in public office, direct knowledge of political, economic and social phenomenons which influence national life, and of international events, statesman-like qualities and a definite devotion to public service.

Various characteristics are found in Castillo Morales, which make of him an excellent prospect for presidential office. He is a determined man of clear ideas and firm decisions. But there is something more which goes beyond the personal attributes of our candidate for nomination, and that is the reason for existence of our faction. National Liberation must offer the country a renewed front capable of generating a broad popular support and capable of pointing out roads of freedom, welfare and social justice to Costa Rica for the next 25 years. That is guaranteed by the faction led by Dr Castillo.

Of course I am not the most qualified to say why Monge supporters support Monge. But through my permanent contacts with the National Liberation Party throughout the entire country, I have managed to determine that the people who support the Monge faction, do so inspired by the principle, which although it is respectable and fair, appears to us to be unrealistic, and in view of the present circumstances and needs of our country, quite unsuitable. That principle is that which we could call the "second chance." We do not deny anyone the right or attributes for that second chance to which some colleagues refer so much. The truth, however, is that decisions based only on sentiment and which do not take reason into consideration, regardless of how praiseworthy they may be, are not sufficient or suitable for providing solutions to national problems.

[Question] Do you believe that it is proper for the parties and for democracy to encourage a struggle between factions in the same political group?

[Answer] It is an absolute truth, as I said before, that the right to disagree, the right which sometimes acquires the nature of a civic obligation, is found in the essence of democracy and in the essence of the historic origins of Liberalism.

Like true democrats--and in the National Liberation Party we are that because of our fidelity to our original roots and because of ideological conviction--we must consider the struggles of internal factions as a demonstration of democratic vigor, as an opportunity to exercise the right to a choice, as an excellent means of maintaining current the concepts of freedom and participation.

To attempt to eliminate the struggles among factions within a political party would be to give it the character of a totalitarian entity, because in political parties as well as in nations there should be pluralism in matters of choice and thought if there is a desire to preserve democratic institutionality and freedom. Dictatorships, which can be present in political parties as well as in countries, are precisely the children of the suppression of mechanisms of participation and choice such as the struggles between factions and electoral processes.

The struggles between factions are, therefore, essentially proper. It would not be fair to attribute a different classification to them just because at times they lead to problems due specifically to the fact that one or some of the parties who take part in them do not accept or respect the right to disagree and try by every means to impose their own opinion or private preferences on the others. This is an undemocratic position with no place in the National Liberation Party, a political party of such democratic inclination--lucky for us and for Costa Rica--that even its founder and leader, don Jose Figueres, had to submit to a process of internal selection in 1968 during which he had to struggle hard to win.

[Question] What would it mean for the country if Dr Castillo were to win?

[Text] The victory of the Castillo faction at the internal convention on 27 April means beyond all doubt that on 7 February 1982 the Costa Rican people will elect Dr Carlos Manuel Castillo Morales as their president. This in turn implies the reestablishment of the democratic faith of the people and their trust in the future of the country. It will also mean the initiation of a national reconstruction effort as of 8 May 1982, an imperative for extracting Costa Rica from the crisis into which it has been taken by the present government. In short, a victory by Dr Castillo will make it possible for the country to resume its voyage of progress and social justice within a framework of justice and respect for man and the institutionality which make up our great historical-political inheritance.

[Question] What has Carlos Manuel Castillo meant in the National Liberation Party?

[Answer] Carlos Manuel Castillo belongs to a generation of Costa Ricans, which in good measure is the best accomplishment of the Liberationist political plan.

The son of a worker, Companero Castillo began his political activity at the beginning of the decade of the 40's, in moments of great uncertainty for Costa Rica. He was at that time an adolescent schoolboy, who identified with political factions of the time which later gave birth to the National Liberation Party. It is worth saying that he has been a liberationist since before the birth of the party, a quality which at that unfortunate time even cost him some time in jail.

Because of his humble status, his devotion to study and his talent, immediately after the conclusion of the revolution of 1948 in which he participated actively, he left the country to continue his professional studies, thanks to a scholarship granted to him by a foreign university. Called upon, because of his abilities, to serve in high and honorable positions in international bodies such as the Economic Commission for Latin America (ECLA) and the Secretariat of Central American Economic Integration (SEICA), he not only took the opportunity to enrich the total of his knowledge and experience but in his permanent contacts with Costa Rica and his party he made it possible for the country to obtain specific benefits from his service in those institutions.

Don Carlos Manuel never lost contact with Costa Rica or the National Liberation Party during the time he was away from the country for reasons of work, as many others have, among whom don Luis Alberto Monge has certainly been one. In 1970, at the request of don Jose Figueres and at a significant economic sacrifice, he left the SIECA to take charge of the Ministry of Economy, Industry and Commerce here.

The career of Dr Castillo as of 1970 is broadly known by Costa Rican public opinion and by Liberalism, so there is no need to refer to it. That is why I limit myself to saying that Carlos Manuel Castillo has always been a Liberationist, who as a result of great sacrifices and efforts became professionally trained without ever ceasing to serve the Liberationist cause or the country, and who because of his devotion to public service was ready to return to his homeland as soon as he was asked to assume a leading role as of that time in the Liberationist struggle for the development and rule of democracy in Costa Rica. In the historical development of Liberationism, Carlos Manuel Castillo, like many others, because we do not attempt, nor does he attempt, to say he is exclusive in any way, has been actively present. In the Liberationist work of many years it is easy to find the valuable contribution of the one who heads the Castillo faction. Moreover, at this historical moment, Dr Castillo means something more: the absolute certainty of a brilliant Liberationist victory in 1982 and the firm hope of a better future for Costa Rica.

8908
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UNITY PARTY'S HINE SPEAKS ON PARTY POLITICS

San Jose LA REPUBLICA in Spanish 26 Mar 80 p 4

[Interview with Unity Party presidential hopeful Jose Hine; date and place not given]

[Text] "I have always been surprised at the people who do not engage in politics as if it were a disgrace. The people who are interested in it have the obligation to do so because it is not possible to remain aloof from what happens in the country," says don Jose Hine, our interviewee for today.

"I was born in a political family and from the time I can remember I was always cheering for someone." Thus, after many years of being in parties, don Jose is today considered presidential material.

[Question] Your name has been mentioned among those of possible nominees. If this comes true, which of the parties will it be from?

[Answer] My candidacy for nomination is from the Unity Party. It is necessary to explain this because the persons who back and help me are members of all the parties which make up the Unity coalition. That is why I say that it is a matter of a Unity candidacy for nomination and not just of one of the parties which make up the coalition. Moreover, I not only have the aforementioned support, but I also have the help of some persons who have been members of other parties and have not yet joined Unity, as is the case of leaders of National Unification and National Independent parties.

[Question] Is your group part of the Unity Party, and if so, what is the link with that party?

The Unity Party was made up initially of four parties, one of which was Popular Union. When this party allied itself with the others to form the Unity bloc, it did it with such great altruism that it gave up its Executive Committee and its National Assembly so that they could be reorganized to strengthen the forces which struggled against National Liberation. I take this opportunity to publicly acknowledge the action of don Christian Tattenbach Yglesias, who at that time was the president of Popular Union, and who without hesitation withdrew himself from that post in a great gesture of altruism and patriotism.

It was through Popular Union that I joined the Unity Coalition.

[Question] Which candidate for nomination would you prefer from National Liberation and why?

[Answer] Preference of one or the other candidates for nomination from National Liberation is something that should be decided by those who are Liberationists and will vote at the convention.

As far as I am concerned, they are all alike politically; almost twins. Both say the same thing, although in different words, and neither offers anything new to the Liberationists or the Costa Ricans. One of them, Monge, is a repetition of the political vacuum he presented in past elections, and the other, Castillo, is a continuation of the Oduber misgovernment.

[Question] Do you and the group supporting you have ideas or programs which set you apart from other groups or factions, and what are they?

[Answer] I do not yet know of the programs which the other candidates for nomination from Unity have.

As far as I am concerned, when Unity officially begins the struggle among factions, I shall say what I think about national problems and propose actions which in my opinion will lead to their solution.

Those of us who ask the Costa Ricans for that great show of trust such as that of considering us fit to be president of the republic, have the duty to give our fellow citizens the chance to carefully examine what we would do with the authority we are asking them to give us.

As far as problems themselves are concerned, it is almost commonplace to hear talk about agricultural-livestock development. However, it is truly unjustifiable that there is no aggressive and coordinated policy of incentives for agricultural production. In this matter the government is still on one side and the banks on the other. And the implements which can guide a joint action by the institutions directly responsible for agricultural promotion such as the LandUse Map, for example, continue to

be ignored. At the proper time I shall speak of what I think with respect to these points. I shall also speak of why I insist, as I did before the Legislative Assembly Committee for Economic Affairs, that crop insurance protect the sharecroppers of the ITCO [Institute of Lands and Settlement].

I shall also speak about how I think the half million square kilometers of territorial sea should be used; and also how the Law on Fishing Incentives which I proposed and managed to have approved when I was a deputy, can help in this matter.

I shall also tell why some legal provisions should be changed so that a more effective war may be waged against the pirates who loot our seas.

With respect to the problems of industry, I believe that instead of harassing national industrialists, an examination should be made with them of the problem which presents itself, because of the political upheavals in Central America and their effect on the Common Market, so that measures compatible with the situation may be taken.

Also, with their participation, a policy of incentives should be planned, which at the same time that it offers stability, will establish the foundations for a greater diversification and vigor of national industry.

Elsewhere, the serious housing problem of the country is not resolved by creating state institutions and agencies. That does nothing more than duplicate efforts and increase bureaucracy. What is indicated is the concentration of resources and actions so as to put into the hands of the pertinent institution, the INVU [National Institute of Housing and City Planning], the solution to this social problem.

Moreover, since the problem of the slums stands out in the housing problem and in turn involves problems of education, poverty, overcrowding and so forth, it is necessary to coordinate the actions of several official institutions. This has not been done yet in the strict manner demanded by circumstances and it emphasizes one of the lacks of Costa Rican state organization. How to remedy this will be one of the subjects to be explained during the campaign.

The already chronic fiscal problem cannot be ignored nor can that of taxes. Now there is the new problem of fuels and the threat represented by their high price.

How to increase electrical production in a hurry and how to use it to the maximum in land transportation is a subject which must be examined so as to propose actions which will allow the country to achieve greater economic independence.

[Question] Do you believe that allowing the encouragement of nomination candidacies among public officials will harm the government and provoke reactions against it encouraged by mere electoral rivalry which views officials as contenders?

[Answer] I do not believe that the government encourages nomination candidacies among its officials. Aside from the speculations made in that respect every day, there is only one case of political participation already announced and revealed to electoral authorities.

As for there being reactions against the government if nomination candidacies were encouraged by the Executive Branch, censure would come for reasons other than electoral rivalries because in that case the government and the official, by engaging in politics, are violating the constitution and the law they swore to uphold.

[Question] Do you believe that a Unity candidate will be inevitably affected for good or bad by the work of the present government and by the opinion the citizens may have of it?

[Answer] It is to be expected that the work of the government will be an issue in the coming electoral campaign. That is inevitable. But to say that defeat or victory depend on government activity is carrying things to extremes.

It is well to recall that in 1965 the picture was more gloomy than it is today for those of us who have always struggled against the Liberation Party. However, thanks to the inspired leadership given to National Unification, and the fighting spirit of its candidate, don Jose Joaquin Trejos, and to his complete involvement in the cause, in seven and one-half months of campaigning we defeated National Liberation, which was already claiming victory.

What must be accomplished now is a separation between the government and the party. It is not a break, but there should be a differentiation between what the government is and how it acts and what we believe should be done to lead the country along a better route. That is why I said previously that during the struggle of factions I will propose solutions for national problems.

The members of Unity have no reason for feeling responsible for the sometimes unfortunate march of government. It must be remembered that Unity won the elections but did not form the government. It must also be kept in mind that we of Unity are the ones who have the most moral right to ask the government for an accounting and to censure it if applicable.

Moreover, it must be remembered that while the government has failed in some things, not all the failures are its fault. Difficulties and

problems, which assail the countries which are victims of political and economic conditions over which even the great powers have no control, also are affecting Costa Rica, and it is only fair to recognize that the government has been diligent in taking the appropriate measures to soften their impact on the country.

Part of the work of the Unity nomination candidates is to remind Costa Ricans that what is truly important are the ideas and the political careers of the presidential hopefuls. What I am saying is nothing new, but it is forgotten. Said in another way, while lamenting the present, one must not lose sight of the future.

[Question] Are you willing to struggle for your nomination and, basically, with what ideological banner?

[Answer] Yes. I have been doing so for many months by maintaining permanent contact with supporters and by visiting regions in all the provinces. I believe that it is the obligation of those of us who aspire to popularly elected positions to go where the voters live so as to give them a chance to talk and thus, through direct observation, be able to form an opinion of what one is and thinks.

As for the ideological base of the campaign, I believe in the contents of the social documents of the Church. In the encyclicals, Vatican II, the documents of Medellin and Puebla and in the recent pastoral letter of the Costa Rican bishops is found the guide, if one thinks about what is said in them, for developing Costa Rica with freedom and justice.

8908
CSO: 3010

LABOR MINISTER SAYS FREEDOM THREATENED UNION

San Jose LA REPUBLICA in Spanish 28 Mar 80 p 3

[Text] An advance in extremist unionism and the regression of democracy are taking place in our country, according to German Serrano Pinto, minister of labor and social security.

Yesterday Serrano presented thoughts and figures about unionism in our country during the monthly luncheon of the North American Chamber of Commerce at the Costa Rica Country Club.

He said, "Some organizations which are extreme in nature are dominating the Costa Rican scene." He indicated, however, that there is hope that this advance will not continue because of the democratic character of the rank and file of those selfsame organizations.

Noting that he understands a union to be an organization which operates within the law and supports our democracy, he said, "There are unions which are undermining the bases of Costa Rican democracy," despite the fact that only the leaders are extremists, while the rank and file are democratic.

He said that of the four labor federations which are dominating the country, those that are democratic in nature have little power and must be strengthened.

To this end, he asked the businessmen to negotiate with the democratic unions on a timely basis to avoid major problems, such as paralyzation of plants or other enterprises and activities, which cause great harm to the country.

He added that it is also necessary to have better training of the leaders since problems generally arise in union organizations, such as the fact that the leaders do not look beyond their own interests, and the political affiliations or leanings of the leaders are those which prevail in the unions.

He asked the businessmen to help with the formation of a healthy unionism to prevent the installation of communist cells or unions with persons who do not think in line with the political Constitution and laws of Costa Rica.

He also called upon them not to close their eyes to just petitions whose rejection could create problems for national production. In a related connection, he told the businessmen that a wage adjustment is necessary to keep such a demand from being asked for from the streets by means of an extreme position.

"If we do not keep ahead of events and demands, we will soon have situations like those of other countries," the minister said.

According to figures supplied by the minister, the General Confederation of Workers is the largest organization in the country and with some 20,000 members dominates all private activities throughout the country.

The Central Organization of Costa Rican Workers has members among the peasantry and has a total of 3,000 workers. The CATD [expansion unknown], with 7,000 members, draws its strength from the teaching sector; and the CCTD [Costa Rican Confederation of Democratic Workers], which has a democratic line, is limited to the public sector and autonomous institutions and has a total of 13,000 workers, he said.

8143
CSO: 3010

ACCIDENTS RESULT IN 500 MILLION HOURS LOST

Havana TRABAJADORES in Spanish 8 Mar 80 p 1

[Article by George Ruiz]

[Text] A total of 17,524 work-related accidents, of which 64 were fatal, were registered in the agricultural and livestock sector of the country during 1979, according to the Department of Health and Safety of the union concerned.

These accidents occasioned losses equivalent to 508 million work hours. If we compare this period with the average per cutter output in that sector for 1980, we will see that more than 68 million arrobas of sugarcane could have been cut in the days lost through labor accidents in 1979. Of 1,723,013 pesos planned and assigned to safety in that sector in 1979, only 74 percent was received, and there are provinces such as Cienfuegos, Ciego de Avila, Guantanamo, Matanzas, City of Havana, Pinar del Rio and Havana, where less than 74 percent was received, since that figure is the national average.

The fact that many workers lack the equipment necessary for their protection is an indirect cause of work-related accidents.

Only 60 percent of all agricultural and livestock workers had a valid health certificate or had applied for one for 1979. The provinces most delinquent in this matter were Las Tunas, Guantanamo, Ciego de Avila, Cienfuegos, Santiago de Cuba and Sancti Spiritus.

According to the Department of Labor Health and Safety of the Agricultural and Livestock Workers Union, all these deficiencies are due, principally, to lack of attention to this activity by the enterprises and the rank and file union bureaus.

Many enterprises do not have anyone in charge of safety. Those in charge of planning in the economic departments of the firms do not participate in the planning and, most important, it is not discussed with the workers, nor are workers' opinions sought regarding safety plans; nor do the firms plan for the acquisition of proper safety devices, and they place a figure on the plan without analyzing the real needs of the sector.

In 1979, to reduce work-related accidents, the Agricultural and Livestock Workers Union, along with the CTC [Central Organization of Cuban Trade Unions], trained 34 social inspectors, who in the future should hold seminars and carry out inspections in the firms to strengthen everything concerning the protection of the worker.

This year it is proposed to train 300 more inspectors, and by 1985 there should be 3,000 workers in charge of worker safety in the agricultural and livestock area alone throughout the country.

Another task for 1980 is a thorough analysis of all the accidents which have occurred in the work centers, to obtain the necessary experience to avoid a recurrence.

A study is also being made by the union of all fatal accidents which have occurred in the sector since the promulgation of Law 13 on Safety and Health, accidents which have been reported to the offices of the attorney generals.

8735
CSO: 3010

FOUR MANAGERS DISCHARGED, DECREE-LAW VIOLATORS PENALIZED

Pinar del Rio GUERRILLERO in Spanish 28 Feb 80 p 1

[Article by Nieves Enrique Gigato: "Four Managers Discharged in Guane and 14 Violators Turned Over to the PNR [National Revolutionary Police]"]

[Text] The final agreement reached at a meeting held to analyze the results of an inspection made at the Commerce and Public Nourishment Enterprise of Guane by inspectors of the Provincial Sectoral Office of Commerce and Gastronomy was to spell out the administrative responsibilities of each enterprise manager and take the necessary steps in each instance.

On this occasion and with advance notice, 36 out of the municipality's 86 units were inspected and 359 violations were detected, committed by 34 managers and 31 clerks.

The preceding shows that the enterprise does not have the necessary counseling, inspection and control to do good work.

After the inspection, it was agreed to relieve 4 managers from their positions, denounce 14 cases of violations of Decree-Laws 27 and 28 to the PNR, transfer 6 workers from their jobs, propose sanctions against 16 others and give warnings to another 42.

The managers discharged from their positions were: Carina Diaz, from the store, La Quincalla; Braulio Perez, from the coffee shop, El Libano; Juan Raque, from the coffee shop, Terminal de Omnibus; and Petra Llanes, from El Rapido.

The following were turned over to the PNR: La Quincalla's manager Carina Diaz and clerks Guadalupe Hernandez and Josefina Crespo; and from La Defensa, Epifanio Estrada, its manager.

From El Desvio, Bienvenido Alvarez, manager; from the Molina coffee shop manager Ramon Perez; from El Chucho, clerk Esperanza Carmona; from La Cantera, manager Willian Martinez; and from El Canon, Epifanio Valle, its manager.

Others turned over to the PNR were: Daniel Corrales, manager of the El Cerro coffee shop; Calixto Acosta and Rodovaldo Yu, assistant manager and manager respectively of the El Cuyaguateje restaurant; Lorenzo Miranda, manager of El Chivito; and Zoraida Gonzalez, clerk at the El Libano coffee shop.

The deficiencies found most often in the inspected units were violations of the established sales system; of Decree-Laws 27 and 28; of the official price list as well as not adhering to the instructions which govern the activity of commerce and gastronomy.

They also discovered shortages and surpluses in products and money, credit sales of various products, inadequate sanitation provisions in some units products in bad condition, limited supply, not having the prescribed book of complaints and suggestions and, in the case of 23 units, not having commercial authorization.

They likewise found poor understanding of the technical regulations governing trade and cited the case of one manager in Punta de la Sierra who charged 20 centavos more than each beer and told the customer he could keep the empty bottle.

8568
CSO: 3010

NEW POWER RATE DISCOURAGES WASTE

Havana JUVENTUD REBELDE in Spanish 18 Mar 80 p 1

[Article by Vinas Alfonso: "The New Electric Rate: Urgent Need for National Economy"]

[Text] The recent Decree No 64, issued by the Executive Committee of the Council of Ministers on the new rate for electrical service, points out a need which is essential to our economy: the saving of electric power and, therefore, of oil which, up to now, is the basic raw material used in our nation to generate that power.

Cuba, not being an oil-producing country, must import immense quantities of crude oil from the Soviet Union, without whose assistance it would have been impossible for us to exist after 2 decades of imperialist blockade.

It is no secret to anyone that the world is experiencing a serious energy crisis; in every country of the globe, daily measures are being taken to encourage the saving of fuels, and, in some, the measures are really drastic.

Some of these measures are: scheduled blackouts, fuel sales on alternate days, limited schedules for elevator operation, reduction in the amounts of energy used for heating, and implementation of summer schedules.

Places like Japan are studying the possibility of equipping ships with auxiliary sails, even large ships currently in service, to use wind power as has been done for thousands of years.

During this energy crisis, many are seriously thinking of returning to animal power to use this resource to the fullest, especially in agriculture.

According to a publication issued by the Italian news agency, ANSA, within a few years, 1985 to be exact, the experts say that humanity will be faced with such an energy crisis that the prospects for development will be seriously compromised.

Oil is a nonrenewable resource, and its irrational waste in capitalist economies and their consumer societies has already made it a real threat.

Any step taken to economize oil consumption is worthwhile and necessary so that future generations may have the minimum essential for their requirements, so long as other supplementary sources are not being developed to the maximum.

Cuba: A Developing Country

Our country has made substantial investments in the electrical energy field; more than 800 million pesos have been allocated to increase the potentialities; we now generate 5.2 times more electricity than before the revolutionary triumph.

It has been the revolution's policy to provide this service to places which never dreamed of having it, and we are now one of Latin America's foremost countries with regard to electrification.

Perhaps maximum effort has not been made in this respect and, in truth, we must admit that this resource has been insensibly wasted in many localities. To put it pure and simple, our country can by no means afford that luxury.

Main Points of the New Decree

With the current rate, the price per kilowatt is based on a sliding scale. As greater quantities are used, the price per kilowatt decreases. The current price schedule is as follows: the first 160 kwh consumed cost 6.5 centavos per kwh; the next 240 are at 4.5 each; for the following 800 kwh the cost is 3 centavos, and from 1,200 on, the cost is 2 centavos. This system does not promote saving but, rather, waste.

According to estimates, customers of low consumption (up to 40 kwh) will see no change in their payments. There are 206,800 consumer units of this type throughout the country, made up of about 1 million individuals.

For consumers of the second quantity range (41 to 100 kwh), increments may fluctuate between 11 centavos and 1 peso per month. For the third quantity range (from 101 to 250 kwh), the computations may increase between 2.04 and 5.44 pesos.

As can be seen, the higher rates will be charged to those who consume the most, since, beginning 1 October, all kilowatts will be charged at a rate of 6.5 centavos.

Those whose consumption is more than 250 kwh will be affected to the extent of 7.20 to 14.70 pesos per month, as an average. The country has 81,500 consumer units in this category.

Greater Awareness of Need To Save

Although it is certain that there will be increases, it is likewise true that both the state and residential sectors are wasting enormous quantit of the fluid for lights and equipment unnecessarily connected.

Despite the above, the rate of 6.5 centavos per kwh is not expensive.

For example, in 1902, under the U.S. interventionist government, the price reached 17 centavos in Havana City and 25 in other cities. In 1933, through Decree No 2974, the price was fixed at 9.35, with 10 centavos being paid for the first 100 kwh consumed and 9 centavos for consumption above that figure.

The New Rate in the State Sector

As is known, the country's truly large consumers are those in the state sector. More than 70 percent of the electric power is consumed by various agencies and organizations in production activities or services.

Beginning 1 October, that group will pay 6.5 centavos for each kwh for those requiring up to 50 kw.

Therefore, in third place, Decree No 64 stipulates that "beginning 1 January 1980 new rates are to be established for the remainder of the state consumers and others of the nonresidential sector, which will increase the rates currently in effect in order to decrease demand also in those cases."

Therefore, in the state sector, that decrease demand for electric service will be assisted by a variety of schedules. Consumption will be measured by special teams at various times, and rates per kwh will differ accordingly.

For example, rates for the so-called peak hours will be much higher, and those for the morning hours substantially lower.

It is also established that meter reading and payment will be on a monthly basis, a measure which will greatly facilitate administrative procedures and make it possible to correct any errors any errors in either area.

8568
CSO: 3010

BRIEFS

PHYSICIAN IMPOSTOR--Pedro Diaz Perez has been arrested and turned over to the Provincial Unit of Police Proceedings in the City of Havana. The Pinar del Rio native committed the crimes of swindling and misrepresenting himself in several provinces of the country. To carry out his criminal activities this citizen has been passing himself off as a physician and leader. Anyone who has been injured by this individual should contact the Police Proceedings department of the PNR [National Revolutionary Police] at Monserrate and Empedrado, Havana, to register his complaint. [Text] [Havana JUVENTUD REBELDE in Spanish 14 Mar 80 p 2] 8735

BRITISH FIRMS' DELEGATION--Havana (AIN)--A delegation of 18 British firms is visiting our country and will meet with its Cuban counterparts. Among the firms are importers as well as exporters, hence the importance of the talks for the promotion of our exportable products. The visit was arranged during the last meeting of the English-Cuban Mixed Commission and resulted from the desire of both countries to increase trade even further. The delegation is from the Birmingham Chamber of Commerce and is headed by Boyan Charles Carnes, secretary of that organization. It was received in Cuba by the Cuban Chamber of Commerce. [Text] [Havana JUVENTUD REBELDE in Spanish 27 Mar 80 p 2] 8735

TELEVISION INFORMATION PROGRAM--"Public Information," a program which responds to the people's interest in the economic, political and social sphere, will be on the air again tomorrow at 2030 hours, on channel 6 of Cuban Television, with an appearance by Joaquin Benavides, minister-president of the State Committee for Labor and Social Security. A detailed explanation will be given on this program of the laws regarding labor and the salary question under the recent general reform established by the Executive Committee of the Council of Ministers. Subjects concerning policy, salaries and employment organization and work safety and social security and welfare will also be discussed. As usual, a panel representing the press will be in charge of presenting questions to the CETS [State Committee for Labor and Social Security] head. The questions have been chosen from more than a thousand received in letters, telegrams and telephone calls by the ICRT [Cuban Institute of Radio and Television] and other broadcast media as the result of a survey taken for that purpose. [Text] [Havana JUVENTUD REBELDE in Spanish 27 Mar 80 p 1] 8735

FIRE OF UNKNOWN ORIGIN--A good-sized fire broke out this morning in an apparently abandoned shop located at No 63 Salud between Rayo and San Nicolas and was quickly extinguished by members of the General Directorate for Prevention and Extinguishing of Fires, with the valuable cooperation of the Ministry of Interior's National Revolutionary Policy here in Havana. Shortly before 0800 hours this morning, neighbors of the shop, as well as others in the vicinity, observed flames coming from the lower level of the building, where some sacks--apparently of some highly inflammable material--were stored, and they notified authorities immediately. Officials of the Directorate of Architecture and City Planning of the People's Government of the Central Havana Municipality, talking informally with this reporter at the site of the fire, indicated that neighboring residents have repeatedly voiced their concern about the materials stored there. At press time, the agency responsible for storing this type of material in a residential zone--for several years, according to neighbors--is not yet known. It was reported that the proper authorities are investigating the cause of the blaze. [Text] [Havana JUVENTUD REBELDE in Spanish 25 Mar 80 p 2] 8735

'TRABAJADORES' PUBLISHES CORRECTION--In the edition of Saturday, 8 March 1980, an erroneous report was published which stated, "More Than 500 Million Work Hours Lost As a Result of Labor Accidents in Agricultural and Livestock Sector." This error, for which we apologize to our readers, originated in poorly submitted data from the Department of Safety and Health of the National Union of Agricultural and Livestock Workers. The reports received by the provincial councils of the union indicate that the total number of hours worked was 508,478,602, a figure which was mistakenly reported as the number of hours missed. The Department of Safety and Health of the Union explains that actually the number of hours lost because of the 17,524 labor-related accidents in 1979 was 261,463, during which more than 68 million arrobas of sugarcane could have been cut at a productivity rate of 260 arrobas per cutter per day, the figure planned for regular cutters. [Text] [Havana TRABAJADORES in Spanish 15 Mar 80 p 3] 8735

CSO: 3010

MSGR URIOSTE COMMENTS ON CURRENT SITUATION

San Salvador EL MUNDO in Spanish 8 Apr 80 p 32

[Text] "I hope that we will never have a civil war and that we will attempt to achieve justice in a Christian and civilized manner," Msgr Ricardo Urioste, vicar of the capital, said at a press conference today after being asked for his opinions on the country's future.

The prelate recalled the Pope's words to the effect that "everything can be won with peace; all can be lost with war." "However, when we talk about justice," the prelate added, "let us do so authentically, since all of us are talking about it but understand it in different ways. All of us are talking about love and peace; however, not all of us understand these words in the same way."

The vicar of the capital explained: "We cannot achieve peace here if we do not rid ourselves of egotism, emotions and political domination by any group whatever. We are not going to put this country in order by killing. The year 1980 is not 1932. We must listen. There are many groups which should be heard. However, they should not be looked upon as enemies. We ourselves have been looked upon as detestable. Killing will create more explosions."

He said that if a miracle is to be produced here, we must all make our contribution; all of us must cooperate. He recalled that when Jesus made the miracle of turning water into wine, He needed someone to give him the water. Also when He multiplied the bread and fishes, He needed someone to cooperate with Him.

When he was questioned about the church's relationship with the government, Monsigner Urioste replied that the church wishes to have a dialog with all the business, political, trade union and government organizations, with the coordinator of the ANEP [National Association of Public Employees], with the ASI [Industrial Sectors Association], etc. "The church does not want to fight with anyone; however, it also does not want to make deals with anyone. Its objective is to be on good terms with God and man," the prelate explained.

At another point in his press conference, he said that he is staying on as the vicar of the capital because he had been elected to the position by persons previously appointed by Monsignor Romero. The appointed electors included individuals such as Archbishop Luis Chavez y Gonzalez, Monsignor Urioste said. He reported that Msgr Marco Rene Revelo was continuing as the acting bishop of San Salvador until such time as the Holy See rules otherwise.

Election of the New Bishop

To questions from national and foreign journalists on the candidates for archbishop, Monsignor Urioste said that according to the laws of the church, any priest over the age of 35 who has no other impediment is eligible. "However, in any event," he added, "only the Pope can make the decision based on the recommendations of the Apostolic Nuncio for El Salvador." The vicar of the capital said that he wanted to clarify the point that with respect to elections the Holy See acts seriously. "We must rid ourselves of the notion we have in these countries about questions of election," he said.

He was also asked whether there was a probability or possibility that the Vatican would appoint an archbishop who would not follow the line of Monsignor Romero, to which the prelate replied: "Monsignor Romero, precisely in one of his homilies, stated that it was not his line, that he did not have a line of his own but rather followed the teachings of the Popes, the guidelines of Vatican II, the documents of Medellin and, finally, of Puebla."

"I am a man of the faith," Urioste said, "and I believe that God will enlighten the Pope to appoint an archbishop who will be suitable for these times, this country, this church in our present circumstances."

8143
CSO: 3010

LABOR MINISTER REPORTS ON HIS TRIP TO SAUDI ARABIA

San Salvador LA PRENSA GRAFICA in Spanish 11 Apr 80 pp 3, 38

[Text] There are good market prospects in Saudi Arabia for Salvadoran coffee, sugar and manpower, Labor Minister Dr Julio Alfredo Samayoa, Jr. has said upon his return from a trip he made to that country.

Dr Samayoa said that during his trip to the Kingdom of Saudi Arabia he had a talk with a high government official of that country who showed interest in the history and economy of El Salvador and brought the country to the attention of King Khalid. He promised that he would help in establishing rapprochement between both countries and would investigate the possibility of the hiring of Salvadoran manpower by companies which have construction contracts in King Khalid's Military City.

Dr Samayoa also said that the prospects for the export of our traditional products, such as coffee and sugar, are very good and that he would recommend to the Government Junta that it send an official delegation to that country to explore the possibilities for marketing these products.

He said that it was necessary for our country to have diplomatic representation in Saudi Arabia at the embassy level. He emphasized that his visit was not at the official but rather at the labor level to learn of the concerns of Salvadorans doing construction work in the aforementioned military city.

With respect to Salvadorans working in Saudi Arabia, he said that the most relevant problem he encountered was the existence of the fear that the government of that country would not renew the manpower contract with the Morrison Knudsen-Saudi Arabia Consortium, which expires on 26 July 1980. Dr Samayoa said that he had talked with officials of that company who told him that it was indeed possible that the contract would not be renewed; however, in case this happens, Salvadoran personnel would remain until December and the officials said they are prepared to recommend them to other foreign contractor companies working on the aforementioned construction.

8143
CSO: 3010

POLITICAL VIOLENCE IN COUNTRY DESCRIBED

Causes of Violence Noted

Guatemala City EL IMPARCIAL in Spanish 24 Mar 80 p 2

[Commentary by Mario Ribas Montes: "Guatemala in the Clutches of Violence"]

[Text] We are obviously living in the midst of a clandestine war between extremes, which manifests itself in daily attacks on members of one side or another, with the result that the people live constantly in fear of the bloodletting we are again suffering.

For the last several months there has been great polarization between ideological positions, and it may be noted that we are becoming more radical as the danger of open confrontation between extremist sectors increases. Last week was especially bloody, with the machinegun deaths of an army colonel, several students and some professionals, who were later identified as having taken part in various clashes in the past. Besides this sort of attack in the capital, the authorities have reported confrontations in various places in the interior of the republic where violence is apparently also increasing.

Some of the events reported by the authorities and the press have every appearance of acts of revenge and others are obviously terrorist actions intended to frighten the people and put the Guatemalan Government in a bad light before international public opinion. Whatever the intent of these actions, the truth is that they sadden the Guatemalan family and wound the sensibilities of the people, who want to live in peace, free from the fear the terrorists are presently instilling in them.

This morning the Anticommunist Secret Army [ESA] released a communique which reflects the present situation when it says "for every anti-communist they bring down, we will execute 20 communists. Now in this case," it adds, "we must execute 16 communists."

It seems to be never-ending, and again shows that in Guatemala, violence begets violence--a pattern of vengeance and reprisals capable of engulfing the whole country in a deep and broad tragedy, in which we Guatemalans will annihilate each other with implacable fury.

The violence Guatemala has suffered for nearly two decades is provoked from abroad, part of the plan for moral and political breakdown that international communism is following throughout the world, but the battery of publicity aimed at Guatemala from abroad makes us seem like a cruel and bloodthirsty people, guilty of the atrocities encouraged here by the same ones who are defaming us. It is a pity that the leaders of the countries which are called upon to protect this part of the world from infiltration and violence have themselves fallen prey to propaganda and are acting in such a way as to weaken our countries' resistance to communism.

We Gautemalans will go to the polls on 28 April in 280 municipalities, and supposedly beginning now the political forces and citizens should mobilize in search of a peaceful and civilized solution to the problems related to the integration of local government. However, we ask ourselves how we will be able to do this when we are overwhelmed by terrorism and the threat that our country may be plunged over the precipice. We will need a great deal of maturity and calmness to be able to carry out an election under such difficult circumstances, with death on all sides. But we must do it because our country's future depends on it, or at least its reputation rises or falls in the eyes of world opinion, which has been prejudiced and persuaded against us. The poltical parties, which have done practically nothing in recent months, have a challenge in this and the opportunity to show they can fill the role given them by the constitution as the poeple's leaders in the area of politics.

Calls To End Violence

Guatemala City EL IMPARCIAL in Spanish 29 Mar 80 p 2

[Commentary by Mario Ribas Montes: "Urging an End to Violence"]

[Text] The government of the republic and the Guatemalan Christian Democratic Party have both called upon the extremist groups to end the clandestine war they have been waging recently.

The calls are timely, because terrorist acts have worsened lately, creating a disastrous impression of us abroad, marking us as a group incapable of solving our problems by civilized means. It has reached the extreme that the clandestine organizations "claim responsibility for" their assassinations, boasting of their cruelty, thereby inciting revenge and a continuation of the interminable bloodshed.

Central America has been in the news for an entire year, but unfortunately the news from this region is only of acts of violence, so that international opinion is inclined to accept any corrective measures which might be proposed to end that situation. Thursday, for example, a cable was released in Santo Domingo which said: "Just as the Socialist International gave top priority to the problem of Nicaragua, Chilean citizen Anselmo Sule requested that it do the same in the cases of El Salvador and Guatemala."

The socialists are meeting at the present time in Santo Domingo, discussing their plans for expansion and referring to countries as though they were parts of a puzzle they wanted to put together. We ask ourselves what the situation in Guatemala means to Mr Sule and why he wants to give it priority. Certainly to provoke bloodshed and a crisis as serious as what has occurred in other countries in this region.

One of the most damaging aspects of the violence is the repercussions it has outside our borders and the damage it does to our image as a civilized nation, one which is anxious to move ahead through the efforts of its citizens. Unfortunately, extremists have chosen our country as the battlefield on which the innocent as well as the guilty fall, their valuable lives sacrificed for the sake of the fanaticism and ambition of others.

We are seeing the extremes to which fanaticism can lead in the sad case of El Salvador with the murder of the archbishop in the midst of a that is senseless struggle except, of course, to the extremists. The Salvadorans have reached a point of economic bankruptcy, and it will be very difficult to overcome the material damage suffered in the course of the struggle being waged for its survival. It is sad to hear the opinions of Salvadorans who come to Guatemala fleeing the hecatomb, especially when they speak of the loss of human life, including women and children who have nothing to do with the clash of positions and interests.

It is said that we Guatemalans are more mature and so in a way are protected from the dangers of a civil war, but the facts do not bear that out, for the excesses of violence do not exactly show that we are better or different than everyone else. On the contrary, we have shown rashness, passion, and especially, that Guatemala's future matters little to us at a time when the gravest dangers are hanging over it.

The Christian Democrats' statement is good, but in our opinion, in addition to issuing that call, they should provide the example of cooling the passions in Guatemala in order to show that understanding and coexistence are possible. They have spoken on various occasions of encouraging a dialog with other political sectors, but time has passed without that step being taken, a step we consider useful and worthwhile from various points of view.

8587
CSO: 3010

U.S. SEEN ACCEPTING NICARAGUA IN CUBAN ORBIT

Guatemala City PRENSA LIBRE in Spanish 10 Apr 80 p 2

[Text] U.S. intervention in the internal affairs of Latin American countries (referring only to the Western Hemisphere now) would fill volume after volume of sinister history. However, there have been calmer days when everyone thought they finally saw signs of improvement.

What happened in days past was truly disgraceful. The diplomatic envoys or ambassadors of the United States were no less than proconsuls of the great empire wherever they were assigned. There are still many among us who remember the abusive interventions in our electoral process, which even went so far as to qualify certain candidates and give blessings to those who best met the requirements of the strong American capitalist interests in this country. It could be said, and it was true to a great extent, that successive presidents as well as the politicians all adapted well to that humiliating situation, so much so that in some cases political representatives went to Washington to beg for endorsement of their candidates. It is understood that along with the political intervention went economic intervention, which had its own modus operandi.

Valentin Solorzano, an EL GRAFICO columnist, recalls one of the most notable examples of that intervention in Guatemala in commenting on the attitude of William Bowdler, a State Department official who is one of the missionaries of U.S. interventionism in this land of God. Solorzano writes about the events of 1954 in Guatemala. Let us prudently omit the critical vein of his style of writing, which is simply a reflection of his personal inclination with respect to the historical facts he refers to. However, the characteristics of the intervention in Guatemala at that time are unfortunately undeniable at this point in time, now that we can view history with the wisdom of hindsight. This allows us to highlight how imperialist intervention on the side of the huge fruit-growing interests of this country managed to overshadow and supplant a genuine popular movement that could have been able to overcome, without foreign help but with its own strength, the dangerous political situation that existed then and still exists. The objective at that time was to contain at all costs the international Marxists who had already infiltrated the revolution.

Now even Bowdler is not sure of the result of intervention in Nicaragua. In an analysis he made of the situation in Central America, he concedes that "circumstances in Nicaragua are undefined, and (that) the Sandinist revolution might turn toward an authoritarian system after the Cuban model, which would mean alignment between that country and Cuba and the Soviet Union." Nonetheless, he also says it is possible there could be a pluralist system with a mixed economy. Of course he does not offer any evidence or even indications of that probability, which today appears to be nothing more than an illusory vindication of the White House politician who participated in the intervention that led to the emergence of the present revolutionary state in Nicaragua.

8926
CSO: 3010

RIBAS MONTES SAYS CARTER WRONG ON CENTRAL AMERICA

Chamber of Commerce Speech

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 31 Mar 80 pp 5, 16

["Text" of speech by journalist Mario Ribas Montes at a U.S.-Guatemala Chamber of Commerce luncheon on 27 March]

[Excerpts] The tremendous response to journalist Ribas Montes' speech has been particularly noteworthy among investors and businessmen, and especially among high officials of the U.S.-Guatemala Chamber of Commerce, DIARIO DE CENTRO AMERICA has learned. Not only have the repercussions been favorable, but there has been great enthusiasm due to the fact that the speaker expressed precisely what these sectors think with regard to the current political situation in the United States.

Thus, DIARIO DE CENTRO AMERICA takes great pleasure in publishing the text of the Ribas Montes speech, which was received with a hearty and prolonged applause by those attending the luncheon meeting of the U.S.-Guatemala Chamber of Commerce:

A while ago a group of distinguished people invited me to talk privately about the danger that Guatemala might fall into the hands of communism, or that there might be a civil war here like the one that drained Nicaragua last year, or the one that is now consuming the energies of the Salvadoran people. These people were sincerely concerned, even frightened I might add, by the prospect of a radical change in their way of life. However, at the same time they were anxious to do something to prevent such changes.

We spoke for more than 3 hours, and none of them criticized the Soviet Union or the Castro regime in Cuba, which are considered to be the natural sources of communist subversion. They confined themselves to severe criticism of the United States Government, blaming it for what is happening in Central America.

Guatemalans of varying walks of life often leave the country to go out and campaign for the salvation of Guatemala, and they all go to Washington. There they talk with senators, State Department officials and journalists, making a sort of appeal for mercy so that our country will not be thrown to the wolves.

Moreover, Guatemalans complain that the U.S. press daily prints articles and reports containing bad publicity whose purpose is to achieve the political and economic overthrow of Guatemala.

What is the reason for this apparently strange phenomenon, that is, the fact that we Guatemalans consider our great friend of yesteryear, our traditional ally, to be the focus of efforts to destroy our way of life?

Why do Guatemalans feel that way? Undoubtedly one factor in this reasoning is the notorious track record of important American officials. Mr Francisco Urcuyo, Somoza's successor in the presidency of Nicaragua, told in his book "Solos" [Alone] how the U.S. Ambassador, Lawrence Pazullo, forced him to give up his government. Former President Carlos Humberto Romero has revealed that Mr Viron Vaky, Undersecretary for Latin American Affairs, had pressured him to leave office, while he encouraged a coup by socialists who are now waging a bloody war against Marxist groups. Specifically, what Guatemalans fear is that the United States will foment a situation like that in our country, and we will have to pay a high cost in human lives and the loss of freedom, just as Nicaragua did (35,000 dead) and El Salvador is doing (having just begun with 3,000 deaths). Besides sheer terror, Guatemalans feel confusion at seeing their natural friends become snipers--even their old confessors the priests.

Few people are willing to concede that Guatemala is already being victimized in an agression that is weakening it politically, discrediting its institutions and disrupting its economy with well-known suggestions that credit to Guatemalan businesses be cut off and that investment in our country be curtailed. The Guatemalan people interpret this unjust aggression and the damage that has resulted, as the exclusive responsibility of the Carter Administration. But the American press has begun to print articles about President Carter's chances for reelection this November, based on his reputation as a reliable politician. The specialists explain that the problem lies in the American people's lack of solidarity with the president in the face of the international crisis.

If the Americans reelect Carter this year, it will be fatal for democracy in Central America. Central Americans, including Guatemalans, will deeply resent those who sanctioned this policy with their vote, that is, the people of the United States.

Most people cannot understand the reasoning behind the American policy toward Central America, and for that very reason there is much speculation. For example, some say that Carter and his advisors are trapped in a net of philosophical concepts that leads them to help their enemies. "Mr Carter," a friend told me, "cannot be mistaken. No one is always mistaken in the same way. Of course he knows what he is doing."

My personal opinion is that the United States policy toward Central America is the result of a defeatist attitude which has also been manifested in other parts of the world. In view of the inability to detain the Soviet expansion in this part of the world, the U.S. Government has reached the conclusion

that there is no other solution but to set up socialist regimes in these countries that will carry out reforms and make changes in order to take the wind out of the communist sails. This is what Mr William Bowdler led us to understand during his trip to Guatemala last September.

But the events in Nicaragua and El Salvador show that this theory is not correct, because it is based on the false premise that the communists are sincere and truly desire the social benefits that these countries deserve, regardless of who is in power. The brutal truth is that they want nothing but power, and they have proven this tragically in El Salvador, where they have attacked a socialist junta despite the agrarian reform, nationalization of banking and concessions made by the junta.

Many Guatemalans see the hypocrisy behind the treatment of Guatemala, which has always been lumped together with Nicaragua and El Salvador. If the goal is really to democratize, to socialize or to somehow improve our political system, then there are many ways to do so without having to bleed us dry. For example, we could begin now with an electoral program for 1982, with a civilian candidate who would meet the strict requirements established by the human rights policy. The United States could, if it has decided to intervene in our domestic politics, help the political party of its preference, even if it is the extreme left, so that it will win democratically in free elections. It could go even further, refusing to recognize those who try to gain power through fraud. All these things could be done within the framework of democracy, but the big question is why this method has been rejected in favor of an armed confrontation.

Until recently, say a year ago, Guatemala was a prosperous country with a high rate of development and excellent business prospects. We were confident that the future would be good, and we were proud to show visitors the physical aspects of our growth, such as construction projects. Today we are a community of terrorized people who look to the future with fear, considering what is happening in our region and the possibility that the fire could spread to our home. Wealthy people think of Miami as an ominous fantasyland, where they could go to live alongside the wealthy Salvadorans and Nicaraguans.

What are we Guatemalans doing to prevent the danger? According to my modest way of thinking, the Guatemalan political regime is not doing anything. The political parties are suffering from chronic speechlessness, giving the impression that the battle to be fought is none of their business. Furthermore, the government mechanism was set up with a view more to administration than to politics, and that is why we get the feeling there is a vacuum there, especially during times of crisis.

The national press frequently uses euphemisms when it tries to intervene on behalf of the political forces, probably because we journalists see the evasive attitude of the politicians and do not want to act "holier than thou." We also think that in the long run the democratic mechanism could distorted if all opposition is voluntarily and systematically suppressed. We know, however, that the common threat that we face obliges us to be flexible and understanding in this position.

It is the private sector that seems to be the most consistent during these difficult times. All we need is to gather all Guatemalans who desire to defend their country, with their different points of view, and have a round-table discussion.

Despite the above-mentioned risks, we must be optimistic and have faith in the virtues of the average Guatemalan. At the moment of truth, the decisive instant when they try to turn us into guinea pigs in the great laboratory set up by the international movements that want to dominate us, Guatemalans will undoubtedly come through.

The speaker was introduced by Mr Richard G. Tromler, first vice-president, in the absence of President Thomas W. Moonel. Mr Tromler also congratulated the speaker on behalf of the Chamber of Commerce. Also congratulating Ribas Montes for the "clarity and timeliness of your speech, which reflects the reality of this region and the motivations for people's actions," were the directors of the Chamber of Commerce: Ira Lewis, second vice-president; John L. Lafelaar, secretary; and Rainier H. Mimberg, deputy secretary.

Position Supported

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 1 Apr 80 p 3

[Text] Journalist Mario Ribas Montes issued a severe warning before the U.S. Chamber of Commerce at a luncheon meeting on Thursday 27 April [as published]. His statements have had great repercussions at all social levels of the nation; comments have come from high economic and financial officials as well as labor leaders, and Ribas Montes' remarks drew the attention of politicians too.

Ribas Montes' opinions are backed up by a brilliant career as a reporter, commentator, correspondent, editorialist, businessman, chief of public relations for the government of Gen Carlos Manuel Arana Osorio (which confronted many tense situations), ambassador, and currently general manager of the leading independent newspaper of the nation, EL IMPARCIAL.

Thus, his opinion is not improvised or biased; it is the opinion of an experienced observer, with sharp judgment and a knack for grasping and evaluating the pattern of positions and many variations that characterize current Central American politics.

We consider the speech he gave before the U.S. Chamber of Commerce to be a warning, because it judges, informs, warns and admonishes--all with clarity, sincerity and conviction.

Ribas Montes feels that President Carter's policy toward Central America has been wrong, and in the case of Guatemala it has posed a real danger to our democratic system. He believes that if there were a catastrophe in Guatemala as a result of this policy, it would be largely the responsibility of Americans who voted to reelect Carter.

Ribas Montes thinks that, faced with an inability to detain Soviet expansionism in the Americas, the Carter Administration believes that by setting up socialist regimes that will undertake reforms and changes, it will be able to halt the communist forces that are moving toward the seat of power in strategically located countries, such as those of Central America and the Caribbean.

This theory, which is actually no longer a theory but has been translated into practical actions, has proven to be a failure, in Ribas Montes' opinion.

The speaker feels that if it wants to orient its policy toward socialist governments, the United States has many resources that do not involve weapons or murder.

Ribas Montes asks why there are no effective responses in our country to the serious threat posed by Carter's Central American policy.

He points out that, as a matter of fact, the discouragement of investors has had a negative impact on Guatemala's own economic prosperity, which lies at the heart of our democratic system and its reputation for carrying out social programs, in contrast with socialist and communist demagoguery.

This leading journalist believes that special emphasis should be given to one of the arguments that Ribas Montes uses in his speech, an argument we have included in this column earlier, referring to the conflict that has gripped Central America.

Communism, and in this particular case Soviet expansionism, will not stop its spiraling advance in the face of a multi-party democratic formula that involves the sharing of power among different forces.

On the contrary, any stepping stone that is placed in the path of these extreme leftists will be seized upon as a new resource to be used for their purposes of vigorously pursuing higher, more powerful positions, displacing supporters and opponents alike until they become the only authorities. They remain true to the tradition of the dictatorship of an ideological group, in which any seedling of liberty is mowed down and all dissent or opposition is annihilated.

If this last assertion had to be proved in a laboratory experiment, the tragic upheaval going on in neighboring El Salvador could be added to the many historical examples.

The reforms introduced by the Government Junta, and the respectful willingness to enter into dialogs with the extreme left and allow its participation, have only led these leftists to take advantage of a series of circumstances and try to gain support among the masses (which they have always assumed but never had) so as to launch a violent attack on the relative moderates of the Junta and replace them with a new base for Soviet expansion in Central America.

It is clear, when the situation is seen from this point of view, that the United States policy is wrong.

After drawing that conclusion, Ribas Montes adds that the American people are solely to blame if they vote to reelect the President.

However, this newspaper maintains a determined optimism. We believe that a reelected Jimmy Carter, who will have had more time to delve into the complex ups and downs of his international policy, having reduced the amount of time he has been forced to devote to his campaign, will give more personal attention to the evaluation of advice and guidelines, a task now undertaken by his staff. We hope that in view of the bloody reality of events in Central America, he will have to change U.S. policy on an international issue as crucial as this one, which involves preventing the huge dinosaur from crushing the new growth of grass on the lands of Central American political democracy.

Further Comment by Ribas Montes

Guatemala City EL IMPARCIAL in Spanish 2 Apr 80 p 2

[Commentary by Mario Ribas Montes]

[Text] Last Thursday we were invited by the U.S. Chamber of Commerce to give a talk on Guatemala's current policy on international pressures. Some friends of that institution told us that they would like to hear opinions on the way Guatemalans interpret President Carter's policy on Central America.

We explained during our talk that the U.S. Government's policy was leading to adverse effects in the area, and at the same time we expressed the fear of the Guatemalan people that Guatemala will suffer similar circumstances to those now occurring in El Salvador, which is on the verge of a fratricidal war.

Yesterday we met a distinguished friend who told us the following: "Mario, I am also in favor of Ronald Reagan." Our friend thought that our talk before the U.S. Chamber of Commerce had been a sort of rally to support the Republican candidate. We explained to him that it was really not that way, because we are not supporters of Mr Reagan or opponents of Mr Carter. What we said to the members of the Chamber of Commerce was more or less a summary of what we have said many times in this column, exercising our "right to grumble" about the danger that our country could also fall into a state of extreme violence as our neighbors have done. Our purpose was to heighten awareness and to help clear up many erroneous ideas about Guatemala that are propounded abroad.

We showed the members of the Chamber of Commerce something that must be brought to light: that we journalists will defend the status quo in the face of the common threat of a debacle in this country, but not just to give in to the government.

For example, we have made no commitment whatsoever to the government, but sometimes in defending Guatemala against foreign attacks we also defend the political regime because it is in the same "package." We have even concluded that some officials of the current government consider us opponents of the regime, although we are really not that either. This situations arises from intrigues by colleagues who, during the 1977-78 election campaign, tried to make the candidates of the Broad Front believe that we were not sympathetic to them, when in all sincerity we had been quite good friends with Gen Romeo Lucas for many years. That was quite evident during the Congress of the Republic, when he was a deputy and we were reporting for EL IMPARCIAL. One time at a party for journalists given by the government to celebrate the new year, we realized that the divisive efforts of those colleagues had been successful, because some officials, although polite, were not as friendly as one would expect from friends or acquaintances.

We also told the U.S. Chamber of Commerce that although we Guatemalan journalists understand that we must be flexible in our attitude toward the government, we are afraid that if all criticism or opposition is suppressed the democratic mechanism will be distorted, and the press will no longer have a logical function.

8926
CSO: 3010

PAPER COMMENTS ON SALVADORAN ROMERO'S DEATH

Guatemala City EL IMPARCIAL in Spanish 1 Apr 80 p 2

[Editorial by Mario Ribas Montes: "Stirring Up the Fire in El Salvador"]

[Text] It is disgusting to observe the manner in which one or another faction is attempting to speculate in El Salvador on the death of the metropolitan archbishop, Monsignor Oscar Romero, and of the 40 persons who died in the streets last Sunday during the funeral service for the highest dignitary of the Salvadoran Catholic Church. The attitude of those politicians, reflected in various statements transmitted by international news agencies, demonstrates that human life has value when it affects the interests of every faction or sector.

Those of the extreme left attempted to take advantage of the assassination of Archbishop Romero and to exploit the Catholic fervor of the Salvadorans by organizing massive funeral rites with a view to giving a demonstration of popular force. Now they are blaming the government and those of the right for the deaths on Sunday and deepening even more the hatred among Salvadorans who are threatening to break out into open civil war.

For its part, the government has placed the blame for Sunday's incidents on leftist sectors, stating that everything started when activists of that faction attended the funeral service bearing arms, as could be seen in television films and photographs. The government adds that the explosion heard as the funeral service was underway could have been produced accidentally when a bomb or grenade carried by the leftists fell to the ground.

There is also evidence that prior to Sunday persons interested in increasing the tension spread false stories about crimes to trigger an explosion of hatred among the already aroused Salvadoran people. Saturday afternoon, for example, a report was disseminated to the effect that Juan Chacon, leader of the clandestine groups, had been assassinated. Chacon himself later denied the story, stating that this was a maneuver inspired by shameful international politicians.

U.S. Ambassador Robert White issued a statement on that same Sunday condemning the use of violence, while leftist organizations accused him of promoting repression against them. For their part, the clergymen assembled in San Salvador for the funeral services of Archbishop Romero published a statement which contains a resounding denial of what the government said about the events on Sunday. This document begins as follows: "We, bishops, pastors of various Catholic churches, superiors of religious orders, priests and laics, are forced to correct the communique issued by the government of El Salvador on the subject of the incidents which took place on the occasion of Monsignor Romero's funeral services. Not only are there serious errors in the narration of the events but also in their interpretation."

The government has asked these clergymen to make public their version of what happened, without foreseeing that the response would be definitely adverse to the official sector, since it states that no less than several witnesses observed that the infamous explosion resulted from a bomb thrown from the national palace, something which the government junta later emphatically denied.

The "strongest" point made by the clergymen's statement is an assertion that elements of the national guard, as well as other public safety units, were seen in the streets, a point that was also categorically denied by the government, which continued to say that such forces had been kept in their barracks precisely to avoid confrontations. The question which arises out of these sizable contradictions is: who is telling the truth? And also: why are facts being concealed, and why are charges being made by sectors which should most contribute to the quieting of passions?

However, what is most important is to establish toward what point the present violence is leading, as the situation is becoming increasingly worse and is threatening to provoke a hecatomb in that sister country which will pull in the entire Central American region. What is happening in El Salvador should serve as a lesson to the sorcerer's apprentices who are supporting the changes made in that country on the pretext that its government should become more democratic and respect human rights. The repression of former President Carlos Humberto Romero is a game of canasta compared to the current repression and that which is promised for the future.

8143
CSO: 3010

CASTRO'S FAILURE SEEN IN PERUVIAN EMBASSY INCIDENT

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 7 Apr 80 p 3

[Editorial: "Ten Thousand Loud Voices Tell the World of Castro's Failure"]

[Text] For the first time in history, the right of asylum has come up against the totally unheard of case of 10,000 persons who suddenly descended upon an embassy in search of refuge and the opportunity to leave their native country, a scenario which is currently being played out in the capital of Cuba.

No series of arguments, illustrations or commentaries could have the eloquence of this unusual happening to illustrate to world public opinion what a regime like Castro's represents for mankind.

It is logical to think that no one is ready to leave his country, his position and property were it not for his feeling of being diminished, oppressed and dominated by a capricious authority, a suffocating environment for the mind and a total destruction of freedom.

More than once in Guatemala we have heard the opinions of persons who recommend the facilitating of travel to Cuba by groups of youths who, deceived by illusory propaganda, believe that the institution of a regime like Castro's in Guatemala will solve the country's social, economic and political problems.

To observe, be exposed to and experience firsthand what constitutes the system of government and the social and economic architecture of Castroism will be the best way to change ideas relating to the aspirations of youth.

Young people, by their nature, love freedom and exhibit attitudes of opposition to the structure and forms of established life.

In Cuba, they will find no more freedom than that which permits them to applaud and admire Castro; and all opposition will be repressed, often at the very moment of its birth.

For the young people of the middle class, who are accustomed to recreation on vacations and fairs which are gala events, it will seem difficult to adjust themselves to the obligation, on such occasions, of going into the fields to cut sugarcane, as a "spontaneous contribution of youth to the economic development of Cuba."

They will not find freedom of work, speech and even less an opportunity to challenge the system. Enlisted in the armed forces, they will be sent to die in wars which serve the interests of the USSR.

Cuba has been compared to an enormous prison, and the events now taking place at the Peruvian Embassy offer proof of this statement.

There are already those who are saying that had not the Cuban authorities hastened to use police to cordon off the area in which the embassy of Peru is located, by this time all Cubans would be struggling to secure a place among the privileged persons who, finding themselves within this diplomatic enclosure, may have the opportunity to leave the island.

This incident is a clear symptom of the desperation of the Cuban people--shackled by the dictatorship of Catroism--who are crying out for the freedom which has been denied them for so many years. At the same time, it is a warning to those Central American elements who seem to have been mistaken with respect to the political system best suited to the dignity and right to freedom of mankind.

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CSO: 3010

INDE INTERNATIONAL, LOCAL ACTIVITIES REPORTED

Japanese Geothermal Prospecting

Guatemala City PRENSA LIBRE in Spanish 7 Apr 80 p 17

[Text] A commercial-scale geothermal potential has been verified in the area of Zunil, department of Quezaltenango, by the Japanese technical advisory mission to the National Electrification Institute (INDE), and will permit the country to take advantage of those resources.

This was reported by the Japanese Embassy in a press release stating that the Japanese aid was begun some 10 years ago with experts and special teams who came to cooperate with INDE.

To appraise the progress of the work, the Japanese ambassador, Dr Fujio Hara, recently visited the exploration sites and the tests being carried out in Zunil, where it has been proved that when the geothermal potential is developed, Guatemala will save many millions of dollars in petroleum purchases for present plants, since it will use its own as yet untapped underground potential.

Japan is probably the most advanced of all countries in geothermal studies, since because of its own situation as a highly industrialized nation it has had to develop its own energy sources to decrease its petroleum imports. In the last 10 years the Japan International Cooperation Agency (JICA), which is the Japanese agency for overseas cooperation, has sent Guatemala three technical missions with their respective teams, which first made a general investigation into the country's geothermal resources and then centered their studies in Zunil to ascertain its commercial geothermal potential.

In addition, it is reported that INDE technicians have been trained in Japan through annual scholarships granted by JICA, making it possible for Guatemala to train its own experts in the energy field.

Japanese assistance to Guatemala has no "strings" of any kind, since the mission delivers its reports to the Guatemalan Government and then it is

up to that government to make the decision whether to exploit the resources or to keep them in reserve, as well as to choose the firm which will be charged with carrying out the project. Naturally Japan has firms with great experience in this field.

Accompanying Ambassador Hara on his visit to the Zunil project were engineers Yjungi Ito, chief of the Japanese mission, and Kimito Inoue and Yasuhiro Kubota, experts in measurement, drilling and exploration of geothermal reserves sent by JICA, as well as the INDE engineers who are working on the project.

The ambassador expressed his satisfaction with the progress made and with the fact that Japanese technology will permit Guatemala to utilize its geothermal potential soon. He also congratulated the Japanese engineers as well as those of INDE and traced the exploration work step by step, including the new well opened the previous week.

San Marcos Municipality Electrification

Guatemala City PRENSA LIBRE in Spanish 22 Mar 80 p 6

[Excerpt] The finance minister has said he notes with sympathy the desire of San Marcos Municipality to construct a hydroelectric plant on the Naranjo River which would generate 1 million kilowatts.

"The municipality of San Marcos," he continued, "operates the La Castalia hydroelectric plant, constructed by the government of Col Carlos Castillo Armas in 1958. This hydroelectric plant has a capacity of 304,000 kilowatts, but at present it is only generating 180,000.

"The cost of the energy generated by this hydroelectric plant is lower than that generated by INDE [National Electrification Institute] due to administrative and operational costs. But about 50,000 quetzals would be needed to renovate it, plus a greater amount for the transmission lines.

"Technicians from the Secretariat of Economic Planning," he continued, "are doing a feasibility study of the new hydroelectric plant planned by San Marcos Municipality. It is hoped that the studies will be concluded next month.

"In addition," he indicated, "we have requested an opinion from INDE, which by law has the power to manage energy, and the institute indicated that at present it has not planned any use of the Naranjo River.

"The new hydroelectric plant," he said, "generating 1 million kilowatts, would supply energy not only to the departmental capital of San Marcos, but to San Pedro Sacatepequez and neighboring areas as well."

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CSO: 3010

BRIEFS

MILITARY RESERVES INSTALLATION--In a ceremony last Friday morning in the city of Jalapa, the new facilities of the Military Reserve Command of that department were opened in the presence of the minister of national defense, Brig Gen Angel Anibal Guevara Rodriguez; Infantry Col Hector Mario Lopez Fuentes, commander of the Jutiapa Military Zone; the commander of the Special Command of the Military Reserves of the Republic, Artillery Col Marco Antonio Archilla Galvez; Department Governor Avilio Linares Barrientos; and the acting chief of public relations of the army, Infantry Maj Francisco Edgar Djalma Domingues Lopez. After the National Anthem was sung, Col Archilla Galvez gave the keynote address, pointing out that the new building of the Jalapa Military Reserve Command was especially significant in view of the evident support the Army High Command is giving to the training of the youths who serve in the military, by facilitating the construction of modern facilities. Afterwards, Gen Guevara Rodriguez proceeded to turn over the keys of the new building to Infantry Col Edgar Anibal de Leon y de Leon, commander of the Departmental Military Reserves. The minister of national defense cut the ceremonial ribbon, concluding the ceremony with a tour of the newly opened facilities. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 14 Apr 80 p 2] 8926

CSO: 3010

EXILES CLAIM PERSECUTION BY DUVALIERIST TERRORISTS

Santo Domingo EL NACIONAL DE AHORA in Spanish 19 Mar 80 p 2

[Article by R.A. Cordero Regalado]

[Text] The Democratic Union of Haitian Emigrants (UDEH) alleged that a band of Duvalierist terrorists was being formed in this country. Their duties are similar to those of the Ton Ton Macoutes, that is to abduct or murder exiles who are anti-Duvalieristo.

In a written statement, UDEH declared that it has information provided by the Haitian embassy in this country.

According to this, civil servants connected with the Haitian embassy attend the meetings.

The statement goes on to say that the liaison element is a Haitian control who UDEH regards as "an executioner, a savage, cruel being who played an outstanding role in several Duvalierist repressive campaigns against the people."

UDEH adds that the colonel comes to this country every week as a "tourist," carrying in and taking back intelligence data.

The exile organization, which is anti-Duvalierist, states that it has private reasons for not publishing the names and addresses of these Haitian spies at this time. However, it asserts that they are currently playing a part in the Duvalierist secret service.

"Nonetheless," it points out, "these secret Duvalierist agents are the treacherous elements sent here and spread throughout Santo Domingo, both on the sugar plantations and in the inner city of the capital."

According to the information which UDEH claims to have in hand, they are attempting to kidnap Jacques Lucien Pierre, Luis Leopold, Gerald Lafontan, and Luis Eugene Athis. Their purpose is "to deport these men, clandestinely, but alive; they will take them in the trunks of their private cars to Haiti and there they will execute them."

They also want "to disarm, discourage and confuse the mass of the Haitian emigrants here, doing away with the anti-Duvalierism and creating absolute conformity with the precepts of Duvalierism, Jean-Claudist style."

The statement likewise notes that the terrorists also supposedly plan to abduct friends and relations of these leaders if the plan against the leaders goes awry. They will also harass the people of the Dominican Republic on "behalf" of the Haitian exiles, with a view to "harming" the Dominicans.

The statement goes on to observe that 2 days after the exiles Paul Denise and Robert Moise were deported, a jeep with an official licence plate number 16909, of the State Sugar Council (CEA) was harassing the UDEH leaders Jacques Lucien Pierre, Luis Leopold and others.

Moreover, it appeared that the occupants of the vehicle carried weapons under their shirts.

"This Duvalierist criminal gang," says our source, "must be warned that Haitian exiles and members of UDEH, particularly, are not to be intimidated, will continue living in the open and will act within the legality of Dominican laws."

The UDEH called on the Dominican government to order an investigation "of this lawlessness in the country...."

Furthermore, the UDEH requested that the National Executive Committee of the Dominican Revolutionary Party (PRD) take steps with the government to ensure the return of the deported exiles, Robert Moise and Paul Denise.

What is more, it comments that "the anti-Duvalierist struggle suffered a bad defeat" as a result of this deportation.

It adds that proof of all this lies with Duvalierist agents who are in the poor sections of the capital and on the sugar plantations, with their traditional arrogance, "applauding and celebrating the events in which their indirect participation transpires so clearly."

Nor do they hide their plans for the immediate future against Haitian exiles, "taking into account the formation of a clandestine Duvalierist terrorist band, operating on Dominican territory, to abduct and execute the anti-Duvalierist combatants."

7129
CSO: 3010

BRIEFS

SILVIO CLAUDE SOLIDARITY--The Christian Social Revolutionary Party (PRESC) yesterday denounced the government of Jean-Claude Duvalier for persecuting the chairman of the national PRSC. A press bulletin issued yesterday alleges that "All the evil of the Jean-Claude Duvalier dictatorship has now been directed against our comrade, Silvio Claude, chairman of the PRSC in Haiti, who has been on a hunger strike since 27 February." The press release adds that "Claude was arrested in August of last year when he was using one of his country's broadcasting units to exhort the people of Haiti, reminding them of the need for a return to democracy and respect for the human rights of all his compatriots." The PRSC calls on the Dominican government to act, asking that "it make use of its obviously cordial relations with the Duvalier government, and employ the appropriate diplomatic means on behalf of the human rights of our Haitian brothers. We also call upon the Dominican people to extend their solidarity to those who, like Silvio Claude, are struggling for the freedom of the Haitian people." [Santo Domingo EL CARIBE in Spanish 15 Mar 80 p 12-b] 7129

CSO: 3010

CUBA'S 'BOHEMIA' INTERVIEWS PCH LEADER PADILLA

Havana BOHEMIA in Spanish 4 Apr 80 pp 64-65

[Report on interview with Rigoberto Padilla, secretary general of the Honduran Communist Party, by Mario G. Del Cueto; date and place not given]

[Text] Honduras is another of those countries in Latin America and the Caribbean which has also been a victim of the conspiracy of silence imposed by most of the news agencies controlled by imperialism. At least among ourselves little has been reported about what is happening in the course of the contemporary life of the brother people, save in the last few months in which the pressure of certain events has forced those agencies to report some news reflecting many facts about the national situation. A short time ago, for example, a group of army officers publicly revealed, through the radio and the written press, their dissatisfaction with the way the government is being run by the triumvirate of military officers which governs it under the leadership of Gen Policarpo Paz Garcia and which was installed in power by a coup d'etat. The group of officers charged, echoing a general concern, that the elections announced for 20 April to form a Constituent Assembly, which would clear the way for choosing a new chief executive of the republic, will be rigged ahead of time by electoral fraud, and therefore they warned the people of the maneuvers being made in this regard. Furthermore, the officers accused the government and several army commands of administrative corruption for maintaining advantageous ties with transnational corporations. On the same occasion, PRENSA LATINA announced the recent formation of the first guerrilla organization, called the Morazanist National Liberation Front, which proclaimed its decision to enter the revolutionary struggle with armed resistance.

Several weeks before this last report was published, the secretary general of the Honduran Communist Party, Rigoberto Padilla, stopped in Havana during a tour of the countries of the continent. BOHEMIA approached him to obtain news of the present situation in his country. With the clear, precise and fluid expression of one who has had long experience and a solid knowledge of political events there, he began:

"We could say that Honduras, and along with Honduras, Central America, is going through one of the most agitated and convulsed periods of its entire republican history. It is natural that Honduras, like El Salvador and Guatemala, should finally feel the impact of the Sandinist revolution, which is, in our opinion, the most important historical-political event of the last 10 years, since the victory of the Cuban revolution. The struggle in Honduras is nothing more than the struggle against the old agro-export model imposed on us by imperialism and the oligarchy. Actually, in 1976 we completed 100 years of the reforms of Ramon Rosa and Alvarez de Soto, two friends of Cuba's struggle for independence. You may recall that at that time Maceo, Maximo Gomez and Marti were in Honduras as political or revolutionary exiles." The present Honduran situation soon took his attention, and he explained its immediate antecedents.

"In 1972 there was a military coup led by Gen Oswaldo Lopez Arellano. From that moment it was said that there would be no more repression against the workers organizations and that there would be a program of deep social reforms. Those social reforms came into being in 1974 with the so-called National Development Plan. It was an ambitious plan which had brought to light the backwardness and poverty of the country. One of its most important reforms was agrarian. By decree law No 160 the government reduced the strength of the powerful landowners--among them the big banana companies, Standard Fruit and United Fruit--and achieved the organization of 12 percent of the poor peasants into cooperatives and commercial associations. These commercial associations in Honduras were for us the peak of the agrarian process. There was distribution of individual lands in some regions of the country, but collective distribution was preferred, and very wisely so. Big expropriations were carried out for this purpose. The plan also contemplated administrative and educational reform, and an attitude of peaceful coexistence with other, different social regimes was proclaimed as the foreign policy. In this regard there was ideological pluralism. The communists maintained at that time that even if it did not mean a socialist program, at least it opened the way for higher goals of progress. Arellano put the screws on United Fruit--the infamous Mamita Yunai--which made and broke presidents at will. Then came the bitter struggle between Standard and United Fruit, two imperialist firms, in which the former finally won. This period of struggle was characterized by a plague of financial dealings, of stockmarket machinations and other typically capitalist maneuvers whose history is one of the most sordid chapters in the regime of capitalist exploitation. Arellano even placed a $1-a-crate economic tax on the Standard Fruit Company. Standard complained about it, and the reformist military government confronted its first boycott. In this struggle Arellano was completely isolated and finally overthrown by a military coup headed by Col Juan Alberto Melgar Castro in April 1975. From that time on, we communists said that a sector of the developing middle class had seized power against the reformist intentions of another sector of the bourgeoisie, and a process of veering toward the right began, which has lasted to date with the military triumvirate headed by Gen Policarpo Paz Garcia, which came to power in

August 1978 in the midst of a scandal. At that time the high-ranking army officers were already up to their necks in the drug traffic. Some of the higher-ranking officers had become owners of vast tracts of land. The scandal of which I am speaking was even denounced by the FBI and the Narcotics Bureau of the United States, which said that Honduras had become a springboard for the drug traffic throughout Central America. Of course, also strongly linked to this were the Somozas and not a few worms of Cuban origin who traveled constantly from Miami to Tegucigalpa. In other words, the high-ranking army officers were not only the expression, the instrument of repression of the ruling class, but suddenly they began to savor the delights of corrupt power, becoming the allies of the landholding oligarchy. At that point the Communist Party withdrew its support from the new rulers and publicly denounced the reactionary trend of the leadership. We stated this in a document on the occasion of our third congress. Since the National Development Plan has been abandoned, the party claimed that at this stage there was no historical justification for the presence of the military in power. Then came the peasant marches, the occupation of lands by the poor peasants--the latter a phenomenon which occurs frequently in Honduras--and the people lost all hope that the plan, which was no longer working, might carry out a true agrarian reform. The triumvirate also includes Lt Cols Domingo Alvarez and Amilcar Zelaya, the first representing the air force and the second the troops of the security forces. I should emphasize that the greatest peasant movements for rebellion in Central America are taking place at this time, and the Communist Party, the Christian Democratic Party and the Society of Jesus are participating in them. The Jesuits are very active and stand up to the landowners, even risking being victims of beastly murders. The nuns are also brutally murdered."

Need For Another Change

"For that reason we are demanding that there be a return to the electoral process, that a free and democratic electoral plebiscite be held in which, first of all, there is an election of a National Constituent Assembly which will draw up a Magna Carta to include all the popular gains which have been made by the Honduran people and, of course, that the military go back to their barracks. We demand that all parties participate in this process, without exception. We are highly politicized, with a high degree of organization among the peasant and worker masses. The unions have a strong fighting tradition. It should be remembered that in 1954 we led a great mass movement which culminated in a revolutionary government and in the banana strike, which lasted 62 days. It was a popular government which controlled public administration, the telephones, telegraphs, radio and other modes of communication. It was an experience which attracted workers, students, progressive elements and even some landowners who wanted to call in their debts from Mamita Yunai. It was an attempt which had the solid backing of all the workers of the world."

[Question] How would you describe the call to elections?

[Answer] Well, you see, they have called elections for 20 April, but they have promulgated a discriminatory electoral law which isolates the leftist parties that have come to life during this period. They have not permitted either the Christian Democratic Party or the People's Liberal Alliance to register--even sectors of opinion which, in our judgment, are on the side of banking and commerce. The most reactionary and oligarchic sectors are attempting to reestablish their former control of the state through elections we consider phony and fraudulent from the outset and which are not going to produce a National Assembly which will be the expression of the interests of the people. This is happening at a time when there is a great revolutionary fervor throughout Central America; at a time when the Sandinist revolution is victorious. The elected constituent assembly can become the congress and then, in a second stage election, can choose the president. Only the National Party, which is that of the oligarchy, sectors of the army itself which hope to mask the situation--wanting to offer an image which is different from reality--and the fly-by-night liberal party, which does not even represent its members, are interested in those elections. We are, so to speak, facing a crisis which is not only institutional, but political-institutional. Representative deomcracy no longer responds to the interests of the people--the Pinochet coup administered the final blow to it--although the elections may be free. Now there are other factors at play which arose in the Nicaraguan problem. The social democratic party is very active in Honduras. Its choices are between the dictatorship of the proletariat and popular democracy, both of them considered by it to be too advanced for our continent, notwithstanding the fact that the Cuban Revolution has lasted 20 years. But according to the resolutions they adopted at their Vancouver Convention, they have not ceased to be a temporary ally in the struggle against fascist regimes, since occasionally they go looking for democratic alternatives, as they did in the Dominican Republic and in Ecuador. Also, as is known, at certain times they have had arguments in the OAS. That is another element with which we will have to deal in our country.

'Our Prospects in Honduras'

The Sandinist revolution has changed things in our America. The peoples have learned that it is feasible to shake off tyrants. The fall of Somoza has great historical importance. Somoza was the most important supporter of imperialism in Central America. The fall of Somoza precipitated the fall not only of Somozism as a system, but of the political-military structures that imperialism had in America. Arellano lives in Honduras, involved in his businesses, but from time to time he publicly espouses progressive positions, although at present he is not linked to any political movement. The young military officers who were "exiled" in 1976 in the gilded exile of diplomatic posts in Spain, Mexico, France and other countries have returned to the country, called in by this very political uncertainty. In Honduras we have encouraged, along with Christian

Democracy and the leftist parties, a front we call the National Patriotic Front, which in turn is supported by social organizations such as the CNT (National Central Organization of Workers), where there are several political tendencies; by the Committee for Union Unity (CUS); and by the National Peasants Unity Front, which includes all the country's peasant organizations and has more than 100,000 members, not only organized to struggle for their social demands, but willing to undertake the political battle. A short time ago a strong mass peasant movement achieved the freedom of 240 of their comrades who were in the government's jails, and it even presented to the government a 25-point plan emphasizing, especially, the execution of the National Development Plan cancelled by the triumvirate. The National Patriotic Front also includes Christians for Justice, which is a progressive organization; the Federation of University Students; and the 80,000 students in intermediate education. It can be said that the Front is winning the battle in the streets. We took over the Tegucigalpa Cathedral and other religious centers. We also have the Slum Dwellers Associations. These are the forces of the opposition. Now, then, what forces does the government have to impose an electoral fraud? Well, it has some sectors of the Liberal Party and it has the National Party, which is the old party of the dictatorships--the 'cachurecos' [conservatives], as we call them. They are trying to form a tripartite government, because the high-ranking army officers also have a stake in this. It should be noted that in the army there are some very important developments. Under the OSOS [Secret Organization of Junior Officers] banner, which reflects a tendency among lower-ranking officers--sergeants and corporals--manifestoes have appeared on the streets and have been read over the radio and published in the press demanding a purge of the army, and the banner of the National Development Plan is being flown, with agrarian reform as its first priority, a banner which is no longer being raised by the high-ranking army officers, who are, instead, enriching themselves at the expense of the people and turning more and more to the right.

Responding to a question about violence, Padilla explained that "in Honduras there is a certain tolerance, and there is free play in the class struggle which, let us say, maintains the rules of the game. Violence against the people, to date, has not reached the point it has in Guatemala or in El Salvador, where it has acquired bestial proportions."

When we mentioned the presence of Somozist National Guard members on the Nicaraguan border, Padilla replied quickly:

"Yes, there is a dangerous focus of tensions, so that even sectors of the Honduran Army are opposed to that armed presence, where the hand of the CIA and of the paramilitary organizations of Central American countries are obvious."

Growth of the Communist Movement in Honduras

According to Padilla, the Honduran Communist Party was formally founded in about 1954, although it existed since 1927 as one of the Central American communist sections created by the Caribbean Bureau, in which Julio Antonio Mella participated. His precursors--teachers and apostles--were Manuel Calixto Herreras and Pablo McWainweight, who was of Irish origin. The latter was in the British Navy in 1915; he prospected for gold in Alaska, and was an anarchist-unionist and friend of the October Revolution. Both joined with Farabundo Marti, a lone figure in Salvadoran communism. "We, too, have an internationalist tradition," added Padilla. "After abandoning the Democratic Revolutionary Party," he said, "which was an anti-imperialist party, a group of 18 comrades founded the Communist Party in 1954, and it has had a long tradition in Honduras' revolutionary struggle. I have been its secretary general since 1978, when there were some basic changes in its leadership and the reformist tendency was defeated. In its agreements the party has espoused the use of armed violence when circumstances warrant."

In concluding the interview, Rigoberto Padilla enthusiastically saluted the heroic struggle of the Salvadoran people and their revolutionary unity and the efforts of the no less heroic Guatemalan people to shake off the military tyranny, and he sent his warmest wishes to Fidel and to the Cuban Revolution for their achievements in "the country where, for the first time, socialism speaks Spanish."

8735
CSO: 3010

SECURITY MINISTER DENOUNCES OPPOSITIONS'S ACTIONS

FL011201 Havana Domestic Service in Spanish 1000 GMT 1 May 80

[Text] Jamaica's National Security Minister Dudley Thompson has denounced before the Chamber of Deputies that opposition sectors are preparing actions aimed at dislocating the country's normal functioning and warned that the forces under his command will act energetically. In his speech, which was carried to the nation over radio and television, Thompson revealed that his ministry has received reports on a campaign of terror directed at paralyzing the nation, which was going to begin today with antigovernment street demonstrations. As part of those plans, Minister Thompson stated that numerous businessmen have received telephone threats to the effect that if they do not close their places of business, they will be the targets for reprisal.

Meanwhile, opposition leader Edward Seaga announced Tuesday that his party will conduct today what he called a peaceful march to protest violence. This opposition demonstration would be conducted on the occasion of the funeral services for four individuals who were killed during a shootout on 20 April and who the leadership of the Jamaica Labor Party asserts were members of that rightwing organization.

CSO: 3020

JAMAICA RECEIVES $50-MILLION LOAN FROM LIBYA

FL291736 Kingston Domestic Service in English 1630 GMT 29 Apr 80

[Text] The $50 million loan from Libya is now available to the Jamaican Government. The funds were deposited today to Jamaica's bank account in New York. The loan is the result of negotiations between Jamaica and Libya which started with the visit of National Security Minister Dudley Thompson to that country earlier this year. Mr Thompson's visit was followed up with visits by prime minister Manley and the general secretary of the PNP [People's National Party], Dr D.K. Duncan.

The government has also obtained a U.S. $10 million loan from the OPEC special fund. Seven million dollars of the loan are for balance of payments support and the remainder is for projects disbursements. This agreement will be signed on Friday by the Jamaican Government and the director general of OPEC who is expected to arrive in the island on Thursday. JBC [Jamaica Broadcasting Corporation] News understands that there have also been favorable responses from the oil producing countries to Jamaica's [?requests] for economic assistance in the wake of the break with the IMF.

Nine missions from various countries are expected in the island between May and June to discuss various projects [?relating] to food production, industries and industrial growth. The countries to be involved include Algeria, Iraq and (Kuwait) from the OPEC group; Sweden, Canada and Germany from the western industrialized nations; and Nigeria. Representatives from the world bank, the inter-American development bank and the Comecon bloc of socialist countries will also attend.

CSO: 3020

ROLE OF NATION'S REVOLUTION DISCUSSED

Managua LA PRENSA in Spanish 14 Apr 80 p 2

[Commentary by Mario Alfaro Alvarado: "Can Our Revolution Be a Latin American Way Out?"]

[Text] I wrote this article at the request of a girl who is a student at the Ramirez Goyena Institute and who presented it during a ceremony which was held at that school on 1 March 1980.

It seemed to me opportune to share it with the readers of LA PRENSA, since I feel that the ideas expressed have permanent validity.

For me, the most accurate definition of the Nicaraguan Revolution is contained in a few sentences spoken by Jose Lopez Portillo, president of Mexico, during his visit to Managua recently.

On that occasion, throughout his speech, the Mexican president uttered these words which for me are definitive:

"In the tortuous labyrinth of Latin America, you represent one more watershed in the last few decades of this century of our history and in the face of many false solutions. Nicaragua with its revolutionary responsibility could be a way out for the continent."

In another part of his speech, he said: "Nicaragua's revolution represents the responsible possibility that freedom, justice, equality and security can come together and leave an open hope for the future of Latin America."

Can Nicaragua really offer a revolutionary pathway applicable to the political and social reality of Latin America?

The answer would not be accurate if it overlooks the fact that this revolutionary pathway should be directed toward objectives not attained by the other two authentic revolutions of America which were mentioned by President Lopez Portillo and which he called watersheds of our history: the Mexican and Cuban revolutions.

However, why did these two revolutions not constitute "a way out for the continent in the tortuous labyrinth of Latin America?"

The results are obvious, and it is not necessary to exert oneself very much to understand why those revolutions did not succeed in offering a historical answer to the Latin American reality.

The agrarian revolution in Mexico, which began at the start of the century, ran aground in the political sector with the single party, no matter how much the Mexicans adhere to their slogan of "effective suffrage, not reelection." In the social sector, the Mexican revolution has resulted in the terrifying phenomenon of braceros seeking in the United States what they could not obtain in their country: work to assure themselves of a miserable and thankless existence. In the economic sector, it has drifted toward an acute shortage of food, due to the inefficiency of the agricultural system which was directly preceded by a no less inefficient agrarian reform.

As for the Cuban revolution, which took place in the middle of the century, by deviating in the direction of ideological orthodoxy with a foreign label, it sacrificed freedom for material well-being, with shortcomings in many areas and forgetting some of the values which make up the soul of the Latin American people.

The predisposition of America is the predisposition toward freedom. Freedom is its most valued belonging, its aspiration, its dream. Our peoples understand democracy only as a function of freedom, with the elimination of any material well-being which makes freedom vulnerable or places it in danger. On the basis of freedom, our peoples accept any effort which is designed to secure worldly goods. Our peoples do not avoid sacrifice to follow after freedom; however, they reject any effort designed to secure prosperity, if by so doing they must sacrifice freedom. I will not permit myself to say that Nicaragua can indeed offer a revolutionary pathway which means a way out for the continent, an open hope for the future, to use the same words as Lopez Portillo. Yes, Nicaragua can be the lantern and the guide for America, because its struggle was inspired by freedom, justice, equality and security. The people of Nicaragua used their blood and sacrifices to redeem those four irreplaceable possessions which the dictatorship had snatched away. Because the spiritual values which make up the Nicaraguan people's soul and on the basis of which the revolution is modeled and constructed are the same ones which make up the soul and nourish the ideals of the peoples of this continent.

The Nicaraguan Revolution is not vengeful and is demonstrating this in the trials of the criminals and genocides of the overthrown regime. It is neither egotistic nor individualist but rather universalist, as demonstrated by its new international policy fraternally open to all peoples of the world. The Nicaraguan revolution is nationalist, a frank and conscientious nationalism busily redeeming its own values without disdaining the values

of others, a nationalism which the Nicaraguan people share in a fraternal spirit with all the other peoples of the continent. It is generous, as has been demonstrated by all its actions, always inspired by justice, increasingly more in possession of the popular conscience. The revolution is also egalitarian because it aspires to make all men equal, not in a fictitious legalistic way but rather through a participatory mechanism which permits all to produce for all, which permits all to equitably share what is produced by all by means of their labor.

Therefore, I believe that the Nicaraguan Revolution, the latest revolution of this century in America, is the pathway which is open to our peoples as a just and correct solution to continental aspirations toward a true democracy sustained by freedom, justice, equality and security.

8143
CSO: 3010

SERGIO RAMIREZ DISCUSSES DECAPITALIZATION

Managua BARRICADA in Spanish 3 Mar 80 pp 1, 5

[Text] Dr Sergio Ramirez Mercado, member of the National Reconstruction Government Junta [JGRN], declared yesterday to thousands of youths belonging to the Workers Literacy Brigades and the People's Literacy Army, that serious measures will be taken against the enemies of the people who are trying to destabilize the revolutionary government, in collusion with imperialism.

The decree issued by the government junta, which is going to be a crushing blow against opposition, says essentially:

1. Individuals or corporations owning businesses commit the crime of economic decapitalization when deliberately or through neglect they use deceitful or fraudulent methods to remove from the republic the fixed capital or the working capital of these businesses (in other words, these companies, capital).

According to the decree the following are considered crimes (that is, deceitful or fraudulent methods) only as an example:

1) Changing information that must be submitted to the authorities or officials responsible;

2) Changing the accounting books or documents concerning the importing or exporting of production;

3) Alterning purchase and sales conditions to keep and to conceal capital assets abroad;

4) Not reporting to the Central Bank payments received in foreign money, whatever may be the reason, although such payments may deal with transactions made prior to laws on currency control;

5) Not starting collection of bills due abroad, or once collection has been started not following through, either in or out of court;

6) Going too far in the payment of commissions or other types of profits in the bill for collection abroad, with loans that, while being abroad, may belong to the same companies established in Nicaragua.

Punishment Will Be Firm

Companero Ramirez Mercado emphasized the vigor with which persons found committing these crimes will be punished, whether such actions are performed deliberately or through negligence. This punishment is considered within the decree and cities:

2. Persons, companies, or individuals who were prosecuted for the activities described in the previous article will be subject to auditing with the full powers of the state by attorney general's office in the manner decided in this law.

3. Companies or individuals to whom this law refers who commit the crimes established here will be penalized economically in the following way:

A) For the first offense, besides restoring to the company the total amount of all that had been taken out of the country, a fine will be imposed of 20 to 50 percent of the total amount removed;

B) For a second offense, whether by a single company or several companies, besides reimbursement of the amount of the fixed capital or working capital taken out, a fine will be imposed on them equal to three times the capital in question.

4. Without prejudice to the penalties imposed in the previous article, persons who committed the crime to which this law refers, will be subject to the punishment of 1 to 3 years in prison if they were managers or persons in authority or executives of the company in question.

Other subordinate persons in the company who had knowledge of their participation or who, through the nature of their duties should have suspected that participation, who know everything fraudulent being done in that company and who do not report it immediately to the attorney general's office will be punished with 2 months to 6 years in prison.

For a second offense, the criminals to whom the first paragraph of this article refers will be punished with 2 to 3 years in prison, and those referred to in the second paragraph (that is, the accomplices) will be punished with 1 to 3 years in prison.

These are the most important paragraphs that this law contains, which becomes the law of the republic and must be observed by everyone.

Ramirez also mentioned irresponsible individuals who are promoting work stoppages and said the emergency law which authorizes sending such persons to prison will be applied to them.

The companeros of the People's Literacy Army, in a show of support for the law, after conclusion of the swearing in ceremony toured the schools and factories seized to urge everyone to resume work and to increase production, since if they did not, they were commiting a crime against their own people.

REASONS FOR WOMEN'S ORGANIZATION EXPLAINED

Managua BARRICADA in Spanish 15 Apr 80 p 4

> [Text] "To be able to consolidate the Popular Government, it is necessary to increase the organization of women. The Sandinist National Liberation Front must give greater importance to the organization of women, and at all levels women must be present, just the way it is in the army, just the way it is on the police force..." Commander Tomas Borge M.

Why set up a women's organization within a revolutionary process such as that of Nicaragua? This question is being asked by many women and also men. In our process there are mass organizations which assemble the working class, men and women of the countryside (ATC [Agricultural Workers Association]) and the city (CST [Sandinist Workers Federation]), residents of communities, both men and women (CDS [Sandinist Defense Committees]) and students of both sexes (JS19J [?Sandinist Youth of 19 July]). Why then organize women separately if they can already participate in the other organizations in the defense and development of our revolution?

The answer is that women, in addition to struggling for the consolidation of the Sandinist Revolution which will carry all of the men and women of the country to the liberation of the fatherland, must also struggle against the stigmas inherited from the dual exploitation and oppression which fall upon them as the result of a system of exploitation and injustice which profoundly marked the ideology and behavior of the men and women of our country.

The exploitation of women is accomplished in two ways by capitalism: as a woman and homemaker, it exploits her by making her work without compensation to keep her comrade fit for work (who is exploited directly by his boss); and she also works without compensation caring for and feeding future workers (her children).

As a working woman, she is exploited just like the other workers and even more so: she is paid less because she is a woman.

The oppression of women refers more to the ideological and behavioral aspects imposed by the capitalist system to continue its existence.

The system of exploitation has developed legal and educational mechanisms. We are inculcated from childhood with the roles men and women are to play so that exploitation and oppression are accepted and perpetuated.

For example, as girls we are told at home that we must be affectionate, sweet, submissive and obedient, must learn to cook, do the washing, etc. And boys are told that "crying is for women," that they have to be strong, enterprising and brave; and they are inculcated with disdain for "women's things."

This unequal training received in the home is complemented and reinforced in school, where women go with less frequency and for less time because "Why study if they are going to get married and have children?" The laws also discriminate against women as concerns the exercise of their civil, legal, economic, labor and other rights.

However, it is much more difficult to remove from our minds and our daily behavior the mark of years of distortion, ignorance, lifelong habits, our ways of interrelating, etc.

Given the fact that the revolution does not per se guarantee us victories of our own, we must make it clear that this will happen only by our own efforts and that in the first place we must create the conditions which will permit us to advance toward the winning of newer and more profound victories. It is necessary for us women to unite under the leadership of an organization, to discover and understand our specific situation and organize ourselves to change our reality.

To do this, we need a specific organization for women within the revolution which will work to eliminate not only the traditional institutional chains which are oppressing women but also to make progress in the elimination of the ideological chains which bind us to behaviors of dependence, submission, contempt and underestimation of our capabilities as human beings. We, too, are the makers of the new history of our country.

"As we build a new country, let us build a new woman!"

AMNLAE [Luisa Amanda Espinoza Nicaraguan Women's Association]

8143
CSO: 3010

SOCIAL WELFARE COMMUNIQUE ISSUED

Managua BARRICADA in Spanish 21 Mar 80 p 3

> [Text] "Most of us are ordinary beings seeking extraordinary destinies. The disabled are extraordinary beings seeking nothing more than an ordinary destiny. If that is the only thing that they ask of us, we must give them the opportunity to achieve that destiny."--Honore de Balzac

During the Somoza dictatorship, which established models of corruption at the national level, the individual was stripped of his basic rights of survival, with food, educational, housing, health care and other shortages as examples. Participation by a very few Nicaraguan brothers was well known, in the sense that in our country there was a group of disabled persons who, in one way or another, came to form part of the swollen ranks of those forgotten by the ruling system. In the area of physical rehabilitation in Nicaragua, there was one rehabilitation center with minimum facilities for humanitarian services to "cover" needs of the entire country, as well as a shortage of vocational training centers for disabled persons to make possible their socioeconomic reintegration into the community.

Today we are in a liberated Nicaragua, with limited human and economic resources to satisfy the needs of the disabled population, which has grown in size during the insurrectional process.

The Integral Rehabilitation Program of the Ministry of Social Welfare, which is handling disabled persons for the time being, is conducting various activities during this week with the aim of spreading the concept of rehabilitation and its importance in offering the opportunity for rehabilitation to persons whose locomotive apparatus, visceral and sensory organs and mental capacities have been disabled.

Rehabilitation means all procedure applied to disabled persons and to their environment with the purpose of compensating for the reduction of their operative abilities, restoring them to the highest level of physical and psychological efficiency compatible with their present condition, thus assuring their integration into the community through paid productivie labor by operating with the greatest efficiency and satisfaction and, if possible, in competition with those who are not disabled.

Blind or visually disabled persons in Nicaragua have received minimal attention, since the service provided has been at the level of consultation in health-service clinics without it being possible to prevent loss of vision or to provide control of the problem. Not long ago, blind persons lived on public charity, beyond any possibility of improvement that would have enabled them to participate in the political, social and productive work of the country. At the same time, they had no opportunity for a medical evaluation to determine the degree of recovery of their vision. The total number of rehabilitation centers has officially been determined and there are now six. Programs and projects providing complete care for disabled persons, for their integration into social and productive life, have also been implemented.

With regard to rehabilitation, the Ministry of Social Welfare has outlined some goals for providing full care to persons disabled in the recent war of insurrection. This care concerns academic, cultural, political and vocational preparation as well as medical evaluation and related care. Another important aspect is psychological treatment and vocational training and, as a final complementary stage, an employment agency has been set up for disabled companeros who complete their training and for those who can meet the two requirements of apprenticeship and work.

As International Rehabilitation Day approaches, Social Welfare's Integral Rehabilitation Program--in fellowship with the following participating rehabilitation centers: "Gaspar Garcia Laviana" Rehabilitation Center, "Arlen Siu" Temporary Home, "Mildred Abaunza" Local Training Center, "Aldo Chavarria" Rehabilitation Center and "Carlos Fonseca" Rehabilitation Center--has been implementing full vocational and guidance programs to alleviate somewhat the distress which our Nicaraguan brothers are suffering and to make them part of our country's productive process.

In closing, it must be remembered that rehabilitating an individual means giving him back an ability which he has lost through whatever circumstances. Thus a disabled person who is rehabilitated will be someone able to earn his own living, to improve himself independently and to work to attain a better standard of living socially and in the community. An attitude that is understanding and free of prejudice must be adopted to cooperate consciously and with a revolutionary outlook in the implementation of programs making possible true rehabilitation of our disabled brothers so that they can fully participate in our revolutionary process within a short time.

Popular Information and Communication,
Ministry of Social Welfare
19 March 1980

11915
CSO: 3010

LITERACY CAMPAIGN COMMUNIQUE ISSUED

Managua BARRICADA in Spanish 15 Mar 80 pp 1, 2

[Text] We have issued a communique which reads literally:

TO COMPANERO TEACHERS THROUGHOUT THE COUNTRY.

1. Introduction

On the eve of our National Literacy Campaign, in which teachers will have to carry out the role of vanguard as a social duty of the revolution, we want to remind all Nicaraguan educators that the responsibility assigned to them at this time is of vital importance as conscientious teachers and shapers of future generations.

It is the responsibility of teachers, together with their students, to become part of the Cultural Insurrection, an opportunity that will make it possible to give the teacher his proper place and to obtain his participation and the social recognition and prestige due him.

More than 50 percent of the population over 10 years of age in the country does not know how to read and write. The rural areas (with more than 75 percent and one department with more than 90 percent illiteracy) are those which need primary attention, along with young students who have answered PRESENT and who need the teacher as a technical guide and as his closest associate. Teachers will therefore form part of these ranks, lodged in farmers' homes or in assigned locations, becoming part of rural life to find out how their brothers live and to learn the rich lessons of nature.

Whether or not organized into ANDEN [National Association of Nicaraguan Educators], teachers will participate in the campaign with the patriotic purpose of teaching reading and writing and strengthening the revolution.

2. Placement

As a member of the National Literacy Commission and participating in all agencies, ANDEN will select the teachers who will be grouped into brigade squadrons. The following criteria must be followed for this selection:

2.1. Primary and secondary teachers will accompany the squadrons of their own centers. Those who are part of squadrons of older students will be educators of the Red-Black Brigades, i.e., prepared to leave their department for any location where the literacy campaign requires their presence.

2.2. Primary school teachers forming part of the Red-Black Brigades will reinforce the technical teams of squadrons of older students from primary or secondary schools in which there are not enough staff members. Thus three teachers for each brigade squadron will be assured. These teachers will be requested by the Educational Centers from ANDEN municipal officials.

2.3 The brigade teachers will accompany younger students working in any location of the department itself, while adhering to the criterion that the center itself must have a minimum of one teacher.

2.4. In a disciplined and authorized manner, teachers will enjoy permits to go to their places of residence for the time stipulated in said permits. Such permits will be issued and verified by their immediate superior official.

2.5. Teachers working in rural areas will stay in the areas where they normally work, acting as technical advisers to squadrons located in that region.

2.6. Teachers who, with clear justification, must be placed in cities for reasons of health, age or unavoidable obligations will participate in the literacy work of their region or in other jobs assigned to them by the municipal commissions.

2.7. ANDEN will have the educational task of providing incentives and bringing the social pressure of their companeros to bear on those teachers who make excuses or set conditions for their participation.

ANDEN must analyze each case for the fairest solution, giving special consideration to cases of pregnancy, verified illness of unavoidable obligations.

2.8. Brigade teachers and Red-Black Brigade members will be entitled to receive free of charge the campaign's full set of equipment, consisting of pants, cotton shirt, boots, backpack, hammock, emblem and mosquito net or bedspread (depending on the region).

2.9. The teacher, as well as brigade students, will be placed in farmers' homes or in assigned communal quarters.

2.10. ANDEN, together with the Ministry of Education, will assure the means for prompt payment of teachers.

2.11. Duties of teachers in campaign.

a) Regularly visiting respective UAS (Sandinist Literacy Units), guiding their operation from a technical and political standpoint. Supervising the operation of the UAS is very necessary to impart as much dynamism as possible to classes, to complete the campaign in time and to assure that reading and writing are learned.

b) Advising and supervising all activities of literacy campaign workers in the community.

c) Holding weekly or biweekly meetings, depending on conditions, with literacy campaign workers to advise and supervise campaign work.

d) Supervising the participation of illiterates in the UAS and supervising learning progress in order to take the measures required for smooth operation of the literacy process.

e) Coordinating with mass organizations in the area to bring about the participation of illiterates and working to maintain proper assistance and retention in the UAS.

f) Providing information requested by higher authorities.

g) Participating in meetings with area or district officials.

h) Systematizing information obtained from campaign workers in the statistical model and from corresponding technical supervision. Seeing that the municipality takes care of this as soon as possible, by holding meetings with the area or district official.

i) Making a monthly summary of the field journals requested at the weekly meeting with campaign workers.

j) Other assigned duties.

3. International Educators

3.1. The international solidarity which has stimulated this noble endeavor will have educators of Spanish, Costa Rican, Cuban, Dominican and other nationalities who have identified with our struggle for liberation and maintain their solidarity to strengthen our revolution. Our people, in recognition of such a noble gesture, express their thanks to them.

NATIONAL EXECUTIVE COMMITTEE

NATIONAL ASSOCIATION OF NICARAGUAN EDUCATORS, ANDEN

March 1980--The Year of Literacy

COMMANDER CARLOS FONSECA--WE TEACHERS WILL COMPLY!!!

FISTS RAISED, BOOKS OPEN!!!!!!!

11915
CSO: 3010

LITERACY CAMPAIGN WILL DEFEAT REACTIONARY FORCES

Managua BARRICADA in Spanish 22 Mar 80 p 3

[Editorial: "Reactionary Forces Will Be Defeated in the Campaign"]

[Text] Much to the chagrin of domestic and international reactionary forces, the Literacy Campaign is starting in 2 days. The masses are on the offensive and those who dominated and exploited the people for years, taking advantage of their ignorance, are on the defensive.

This fact, hidden yesterday, cannot be concealed by anyone today. The Literacy Campaign has clearly served to define positions for and against the revolution. And little wonder, for literacy represents a direct challenge to one of the main power bases of what is left of the ruling classes in our country and to their ideology.

They have lost political and military power and have been restricted economically to a substantial extent, and now the time has come to lay the foundations for their ideological defeat by educating and liberating the people. Because a people who learn to read and write by the light of their own history of struggle, their revolutionary work and their interests cannot be dominated or manipulated by anyone. The great landowners will no longer be able to deceive farmers or to yoke them to political or economic organizations that do not represent their interests. Imperialism will never again be able to pacify our young people, because for them "travoltism" ["travoltismo"] will be replaced by the yearning to fight for workers and farmers, for building the new man. These truths terrify reactionary forces--thus the attacks, lies and rumors against the campaign. They have fewer and fewer arguments with which to confront the people directly and they will be left with even fewer after the campaign.

The enthusiasm of youth, of upright heads of households, of mass organizations, revolutionary christians, the Revolutionary Government and our vanguard is the dominant factor of the times. The shrieks of reactionary forces can hardly be heard.

And on Sunday morning, all our people must go to the Square of the Revolution to reaffirm their revolutionary commitment to literacy.

11915
CSO: 3010

INDIVIDUAL PROPERTY RIGHTS DISCUSSED

Managua BARRICADA in Spanish 17 Mar 80 p 5

[Article by Ruben Diaz]

[Text] There are some people who have insinuated publicly and with malicious intent that, among other things, in Nicaragua the right of "individual ownership of property constituting man's vital heritage" is not respected, recognized or guaranteed.

There is no lack of malicious gossip, but clarfication is necessary for those who are still confused or were confused.

There are those who want to make our people believe that the private ownership which they are defending is the individual ownership of social products, consumer goods. They cannot really imagine why some people are raising a banner in defense of the private ownership of consumer goods when that defense has been a constant practice of the Sandinist People's Revolution.

Otherwise, what could the fight against usury mean, as well as the measures which have been taken to curb inflation as much as possible, to protect real wages, to provide government subsidies for supplying basic grains, government financing for small producers incentives, to increase production as a way of generating the necessary foreign exchange to enable us to buy abroad what we need and do not produce? Otherwise, what could the Economic Recovery Plan itself mean?

The Sandinist People's Revolution, whose basic heroes are Nicaraguan workers and farmers, precisely proposes building a society in which the basic needs of all our people will be met and they can enjoy the benefits produced by the labor of everyone.

Then what is the point of raising a banner in defense of ownership which the Revolutionary Government, which the Sandinist People's Revolution, which the Sandinist National Liberation Front, and which all our people in the revolutionary process have defended from the first days of the Sandinist victory?

That defense has always been one of the principles of the Sandinist Revolution and will continue to be until the end. Building a society of free men means building a society in which no one lacks anything.

The Sandinist Revolution has defended, does defend and will defend with all its might the "individual ownership of property constituting man's vital heritage," i.e, everything that human beings need for their existence. This has been demonstrated in practice.

Therefore, those who are today proclaiming the defense of private ownership are really doing so with the aim of creating confusion. What they are really defending is the interests of a minority that has always held private ownership of most of the means of production, using them to get rich at the expense of the toil and suffering of thousands of Nicaraguan workers and always maintaining close ties with imperialism, which is mainly responsible for our economic dependence. And now that our people own a good part of the country's productive means, they have come out in defense of ownership which was exclusively for a few and of which most of the population was deprived. What they really want is for all Nicaraguans to defend /their/ [in italics] ownership, the ownership of that minority, and for the system of man's exploitation of man to continue to prevail in Nicaragua.

We must be on the alert at all times for the designs of opportunists who aim to confuse and deceive our people. It is the duty of every revolutionary to expose them.

Our people were not deceived before, nor will they ever be deceived.

The aims of internal and external reactionary forces and of opportunism to destablilize the Sandinist People's Revolution will not succeed. Our people will see to that. We do not have the slightest doubt.

11915
CSO: 3010

DOMESTIC ECONOMIC SITUATION REPORTED

Managua BARRICADA in Spanish 7 Mar 80 p 7

[Text] The examining commission for the domestic debt (national contractors) left by the Somoza regime has evaluated the debt at 105 million cordobas, said Companero Ernesto Perez Cassar, treasurer general of the republic.

Payment to these contractors has started immediately. First to be paid are those in the health field, where there is a debt of 46 million cordobas.

Payments are made by the government in cooperation with the Ministry of Public Health, which completes confirmation of the debt.

The remainder of the domestic debt, 59 million cordobas, will be examined, confirmed and paid by the treasury.

Some type of payment will be effected for the rest of the contractors. But companies or individual contractors who presented creditor documentation after 15 October 1979, the final date granted by the government for this purpose, will be penalized by a 20-percent deducation on the amount to be collected.

This step will be taken despite having been appealed to repeatedly through the mass communications media, they did not cooperate as they were ordered to do, and thus they delayed the tasks of examination.

Extensive Financial Reorganization

William Hupper, deputy finance minister, also disclosed the start of an extensive reorganization in the finance ministry.

First of all, an administrative structure will be developed to allow carrying out the order of the National Reconstruction Government Junta [JGRN].

A structure will be developed to allow participation to get the program in motion. This means improving domestic work conditions, attending to the public--part of the war on bureaucracy--and making work more efficient.

The new reorganization will also be directed toward allowing better collection of taxes, improved administration of government revenue.

At the budget and treasury level, budgetary, finance and inherited property accounting will be systematized, since this is a major part of the whole state organization of administrative and financial management.

We have to remember that during the Somoza period anarchy without administration reigned in what was then the Finance and Public Credit Department. A management reorganization is being examined at the Revenue Administration to change the type of administrative system which, besides having been inherited from a tyranny, is inadequate and bureaucratic.

An example of this is that the new campaign for tax adjustment succeeded in bringing in 4,000 new taxpayers who were not registered and whom the Somoza regime, in its incompetence, could not find.

It is essential, Hupper stated, to improve examination of areas immediately important to the taxpayer, to avoid large accumulations by putting to work more capable and better unified personnel. Regarding the purveyor's office, starting in April the provisioning system will be changed by giving regular and efficient service to public institutions.

All of this reorganization is being done because inadequacies have been found in the organization established previously, and we are progressing toward excellence, said Hupper.

9545
CSO: 3010

STANDARD STEEL WORKERS SCORE CAUS

Managua BARRICADA in Spanish 7 Mar 80 p 7

[Text] The Standard Steel Workers Union, aware that unity of the working class is necessary for the progress of the revolutionary program, and in the face of CAUS' [Center for Labor Unity and Action] attitude, which in practice have concurred with imperialist manipulations to try to destabilize the people's Sandinist revolution, has issued the following communique in which it appeals to the worker-peasant class to not allow itself to be manipulated by false leaders who are trying to split the worker movement in our country.

Managua, 4 March 1980. From: The Standard Steel Workers Union. To: The mass of Nicaraguan working people.

Communique

Brother workers and peasants, receive a warm and fraternal Sandinist revolutionary greeting from the Standard Steel Workers Union, which will be called in the future the Julio Obando Workers Union.

We are mindful of the legacy of Sandino, Carlos Fonseca and Jose Benito Escobar.

We are aware that the demands for wage readjustment are fair, but we must consider these demands in the light of the actual situation of our economy and of the Plan for Economic Renewal in 1980.

Brothers: our unity must be solidified by forming a single coalition and having the awareness to react with a revolutionary response to the country-selling bourgeoisie and to imperialism, which want to destabilize Nicaragua's economy to seek armed intervention in our Sandinist land.

Across Nicaragua various misleading movements have announced the "just claims of thousands of workers."

In several factories and businesses, CAUS is irresponsibly impelling the workers to seize the factories and to halt production, which are not the appropriate means to solve the problems affecting workers.

For the information of our brother workers and peasants, the CAUS leaders had already signed a document for interunion agreement with the CGT [General Labor Confederation] and the CST [Sandinist Workers Federation] to effect the 1980 Plan for Economic Renewal and to not halt production, while contrary to this position they have taken a reactionary stand and throughtless attitudes that are alining CAUS with the bourgeoisie and imperialism.

We want genuine socialism and not an approximation. Since our revolution is in its infancy, we have to care for it, nourish it and strengthen it so that it does not fall into the fatal mistakes of many revolutions impelled by the CIA and the country-selling bourgeoisie as well as other fanatics who want to destabilize our Nicaraguan revolution.

It is for this reason that our front line, the FSLN [Sandinist National Liberation Front] has earned the name of vanguard, by leading the mass of our people during its 20 years of historic struggle, and it has identified itself with the workers and peasants so that we might free ourselves from the oppressive yoke of imperialism, from the Somoza military dictatorship and the country-selling bourgeois exploiters who were part of a totalitarian system.

We support, as true revolutionaries and Sandinists, our vanguard, the FSLN, to the end.

We appeal to our working class and peasantry not to let itself be manipulated by the enemies of our revolution. We want unity to effect our revolutionary program and not division, so that with consolidation, with our fist raised high, we can fight the enemy in any field, whether political or military, to defend the rule of our people.

We must be vigilant tooth and nail against the enemies who lie in ambush for us, who are capitalists, who are looking for ways to take capital out of companies, leaving them bankrupt, and the traitors of the CAUS workers movement.

We must not continue inciting separatism, because this is our revolution. And the orders are still in force that the march toward victory is not halted. Either a free country or death. No to taking out capital...yes to national unity. For a renewal program we will have work and education.

Imperialism and Somozism will not go through. Let us increase production... Let us crush counterrevolution. Working people...Sandinist power.

Standard Steel workers of the Julio Obando Union: a free fatherland or death. Fatherland or death--we will triumph.

9545
CSO: 3010

BRIEFS

UNION SCORES COMMUNISTS, CAUS--The Ignacio Estrada Workers Union issued a communique denouncing the activities of what is called the Communist Party and its union organization, CAUS [Center for Labor Unity and Action] pointing out that these operations are harmful to the laboring working class and create disorder and separatism. "These organizations are trying to boycott our revolutionary program. Therefore, at this time we must increase production and not surrender to work stoppages that would further injure our long-suffering people. We have to realize that we cannot allow these evil leaders to use us as tools to achieve their avaricious goals. Therefore, we ask our government junta and our vanguard, the Sandinist Front, to hit these counterrevolutionary elements with the Sandinist fist." [Text] [Managua LA PRENSA in Spanish 9 Mar 80 p 7] 9545

CSO: 3010

CPU'S ARISMENDI CALLS FOR UNITY TO OVERTHROW DICTATOR

East Berlin HORIZONT in German Vol 13 No 10, 1980 signed to press 3 Mar 80 pp 25-26

> [Text] At a plenary session, the members of the CPU Central Committee appraised the current political situation and the future jobs of the party. The meeting dealt with a report by Rodney Ariemendi, secretary of the CPU Central Committee. In the following article, HORIZONT is publishing excerpts of the communique issued after the meeting.

The plenary session approved the decisions of the previous Central Committee meeting, and expressed the opinion that the international situation is complicated and dangerous, that the forces of peace, however, have shown increasing strength. The session expressed appreciation for the many initiatives by the USSR and the community of socialist countries toward detente and disarmament. This process is inseparably connected with the development of the revolutionary movement in Latin America, Africa and Asia.

Activities of the Opponents of Detente

The tendency toward cold war is strengthening the fascist regimes in Latin America which take directions from the war-loving circles in the Pentagon and aim for the establishment of a South Atlantic pact as well as a pact with the countries of the southern part of South Ameiica (Argentina, Chile, Uruguay, Paraguay). Under the pretense of having to struggle against "subversion" these regimes opposed the tendencies toward a democratization of Latin America at a meeting of the supreme commander of the American armed forces in Bogota.

The crisis of capitalism is shaking up the international situation. This crisis is going to intensify in the next few years, and is going to have even more adverse effects on the countries of the so-called Third World. In contrast to this development, there is the stable economic growth

and social security in the socialist countries. The intensification of the crisis puts the capitalist system itself to the test, and in this process the forces of the right intend to unload the consequences of this crisis on the masses.

Conditions are now prepared for a new impetus in the international revolutionary struggle. Its most important forces are the three principle tendencies of our time: the worldwide socialist system, the struggle of the working classes in the capitalist countries and the national liberation movements. Even greater creative courage will be necessary in order to solve urgent current problems from the Marxist-Leninist point of view, to destroy anticommunism and anti-Sovietism, and to pave the road for progress.

In the development process of the nations of Latin America a new era has begun whose best expression is the victorious struggle in Nicaragua. This victory made its mark on the entire continent: in Bolivia attempts to stage reactionary coups failed, there were changes in El Salvador, in Brazil amnesty was granted and the movement of the masses in this country intensified. At the same time, the importance of socialist Cuba was again made clear.

Preparations for Intensive Struggles

This current situation in Latin America and the heroic struggle of the people of Uruguay are creating new conditions for the destruction of the dictatorship in our country.

1980, the start of the so-called Cronograma (a project to institutionalize dictatorship--the editor), is going to be a decisive year in our country for demasking this political maneuver. The project intends to give national legitimacy to fascism through elections favoring one unity candidate who is supported by the armed forces, through required voting and through the continued observation political restrictions.

Increased international solidarity, the unity of all anti-fascist forces, support for the freedom fighters in the country, the continued presence and activities of the party inside and outside Uruguay are essential elements in the struggle to bring about the failure of "Cronograma."

The cruelty of the regime knows no limits. The wave of suppression in the past year which was directed especially against our party and in whose course more functionaries were imprisoned is an extremely serious matter not only for the CPU but for the entire resistance movement. It was unleashed at a time when activities of our party and the struggle of students and unions in the capital and the country were increasing, and greater efforts were made to create unity among all pat[illegible]

The deep roots of the communist party in the life of the nation, its political-ideological reserves, the confidence of the masses in its political program and the heroism of its members made it possible to restore within a short time the strength of the party in the country.

In 1979 the isolation of the dictatorship and its political weakness increased, and the internal and external factors leading toward its overthrow became stronger. The collapse of the regime will depend on the unity and cooperation of all opposition forces in society and politics which are in a position to unite all patriots around one program and one clear perseective with the goal to lead the country out of the existing situation. In other words: unity and cooperation of the opposition as well as political initiative are at the present time the decisive factors for the victory over tyranny.

The political and economic-social situation has created more favorable conditions for the elimination of the dictatorship. Either a real turn of events will take place or the country will get into a situation that will be similar to that of Nicaragua under Somoza.

A Program To Save the Country

In regard to the future, the people have to be polled on the election of a constitutional convention. It should be elected by universal suffrage in a climate of democratic freedom to which belong amnesty, the release of prisoners and the elimination of political restrictions. These measures as well as economic steps to counteract the deterioration of the living standard of the people and to begin the task of national reconstruction could bring about the greatest possible unity of all political forces. Elections for a constitutional convention will put the destiny of the country into the hands of the people and will involve all democratic forces.

We have a tremendous responsibility for our homeland. As the declaration of the Frente Amplio of Barcelona says, what is at stake now is a "great national campaign for democracy in Uruguay."

The events of the past have brought about a greater international isolation of the dictatorship. Qualitative changes are noted in the degree of international solidarity that show their effect in the decisions of the OAS and the United Nations Commission on Human Rights, in the attitude and statements of Latin American presidents, governments and parties, in the creation of a broad movement of solidarity, in the statements of the sixth summit conference of nonaligned nations and in the testimonies of the democratic forces of Europe and African countries.

Solidarity must now concentrate especially on the struggle for amnesty and the release of all political prisoners who are suffering extended sentences and every kind of physical and psychological torture. It

is on them that the dictatorship wants to take revenge for the heroic resistance of the people. Life and health of a great number of patriots are in danger. Among them are General Liber Seregni, president of the Frente Amplio, former parliament members Jaime Perez, Jose Luis Massera, Gerardo Cuesta, Alberto Altesor, union leaders Rosario Pietrarroia, Vladimir Turiansky, Hector Rodriguez, Leon Duarte, youth functionaries Jorge Mazzarovich, Leon Lev as well as Rita Ibarburu, Selva Broselli, Raul Sendic and many thousands of prisoners and a great number of "missing persons" whose fate is unknown. In 1980 the campaign for amnesty is to reach worldwide proportions so that the dictator will be forced to open prison doors for 6,000 political prisoners.

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SELECTIVE LIST OF JPRS SERIAL REPORTS

WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality
WORLDWIDE REPORT: Epidemiology
WORLDWIDE REPORT: Law of the Sea
WORLDWIDE REPORT: Nuclear Development and Proliferation
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

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